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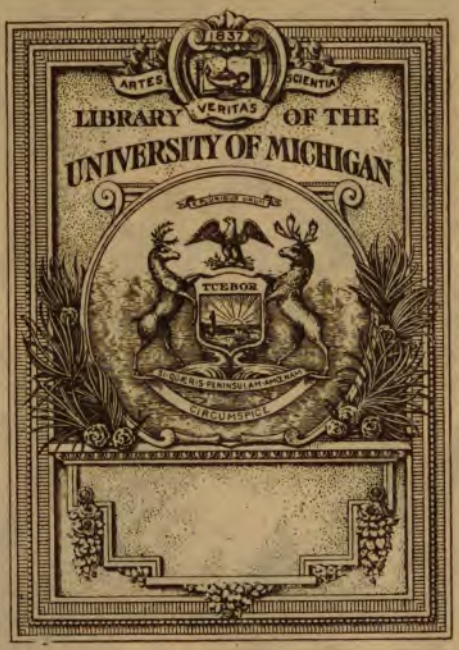

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REPORT

OF

COMMITTEE TO INVESTIGATE

ASSESSMENT AND TAXATION

STATE OF TENNESSEE.

Committee on Taxation

1915

NASHVILLE, TENN.
McQUIDDY PRINTING CO.
1915

REPORT OF COMMITTEE TO INVESTIGATE ASSESSMENT AND TAXATION.

To His Excellency, Governor Tom C. Rye, and to the Fifty-ninth General Assembly of Tennessee:

This Committee, to investigate the question of Assessment and Taxation in the State, was appointed by the Governor in pursuance of Senate Joint Resolution No. 27, adopted on January 26, 1915, the text of which will be found in the Appendix attached to this report.

The Committee assembled in Nashville on February 1, and during the period which has elapsed since that time many officials and citizens have appeared before the Committee or submitted their views in writing. Public hearings have been given to representatives of many organizations and to others, and a large number of letters on the subject of taxation have been received. Because of the short period of time available in which to investigate our present system of assessments in this State and consider the subject of taxation generally, the Committee has not been able to make as comprehensive a study of the subject as it might have desired. The Tax Commission of Virginia, which has recently reported to the Legislature of that State, consumed seven months on a similar investigation. A Tax Commission in another neighboring State, Kentucky, was engaged in such an investigation during a period of about a year and a half. In other States a much longer time than has been available for this Committee was consumed.

Realizing, therefore, that its work must be hurried, this Committee has not hesitated to take short cuts in the pursuit of information, and has drawn liberally on the reports of Commissions of similar character in other States. We do not believe, however, it would be profitable to delay the matter of tax reform in Tennessee for a more exhaustive

study of the conditions in this and other States. To do so would entail a considerable expense, and would also postpone the time when taxation might be equalized throughout the State. Moreover, the evils in our present system of taxation are not confined to this State, but are general to those States which have similar systems, and are well known to all the people of the State who have paid attention to the subject.

MAIN DEFECTS IN PRESENT LAW.

The testimony in hearings held by the Committee in Nashville and our correspondence with assessors, other officials, and citizens residing in all parts of the State, have strongly confirmed the opinions which were entertained by members of the Committee at the outset as to what in general were the defects of our present tax laws. Concerning them there is little controversy. As stated, all Commonwealths which levy what is known as a general property tax—that is, a tax at uniform rate levied on all classes of property—have had strikingly similar experiences. Yet most of the States of the American Union continue wedded to this system. It is embedded in most of the State Constitutions, as in our own. Only nine States so far have broken away from this general property system. The latest of these is Virginia, which, in pursuance of recommendations of its Tax Commission, recently has completely abandoned the general property tax and has adopted a system by which the State Government in the main will derive its revenue from different properties than do the local subdivisions. Where the segregated or separated system prevails, the State, as a rule, derives its revenues entirely from the taxation of public-service and other corporations and inheritance and various special taxes, while the taxation of real estate is resorted to only in the counties and cities. The plan differs much in detail in different States. The chief advantage of this system is that it renders unnecessary the equalization of assessments in counties or subdivisions for the equal apportionment of State taxes.

The system of taxation adopted under our first Constitu-

tion in 1796 was simple. There was then scarcely any personal property except slaves. A specific tax on land was the principal tax, and town lots could not be taxed more than 200 acres of land. The tax on a slave was also limited to that on 200 acres. This was the system inherited from the parent State of North Carolina. By 1834, however, there existed much more personal property, tangible and intangible; and the Constitution of that year contained an article paving the way for the general property tax, which was finally made mandatory by the Constitution of 1870. We borrowed this tax from Europe, as did other American States; but it is now practically obsolete abroad, being suited only to primitive economic conditions. The old general property tax, in fact, survives only in Switzerland, Australia, and the United States, in all of which it has become so defective that it has been supplemented with other taxes. Dr. Edwin R. A. Seligman, probably the country's most eminent authority on taxation, says of this system:

"The general property tax as actually administered is, beyond all doubt, one of the worst taxes known in the civilized world. Because of its attempt to tax intangible as well as tangible things, it sins against the cardinal rules of uniformity, of equality, and of universality of taxation. It puts a premium on dishonesty and debauches the public conscience; it reduces deception to a system and makes a science of knavery; it presses hardest on those least able to pay; it imposes double taxation on one man and grants entire immunity to the next. In short, the general property tax is so flagrantly inequitable that its retention can be explained only through ignorance or inertia. It is the cause of such crying injustice that its alteration or its abolition must become the battle cry of every statesman and reformer."

NEW CONSTITUTION DESIRABLE.

We must necessarily state at the outset that anything like a complete and thoroughly effective reform of our tax system cannot now be obtained. When this State adopts a Constitution with a more flexible article on the subject of

taxation, then may we consider for adoption many of the excellent provisions such as have gone into beneficial effect in States like Wisconsin, Minnesota, Ohio, Oregon, Pennsylvania, California, Connecticut, New York, New Jersey, and Maryland, and are soon to go into effect in Virginia. Our recommendations, therefore, are largely devoted to the promotion of efficiency under the present system. We have also suggested a plan, outlined later, which we feel sure is permissible under the Constitution, and yet will bring us many of the benefits secured in other ways by the States that have wholly or partially escaped from the toils of the general property tax. The bill we have drawn as a suggestion to the Legislature will be found in the Appendix.

A CENTRAL COMMISSION.

The most important of these recommendations to improve efficiency, we feel sure, is for the establishment of a permanent Tax Commission to have complete charge of the administration of the tax laws. This recommendation, as will be seen by reference to the Appendix, is in harmony with the declarations of all the leading political parties in the State in the last political campaign, and was ably urged by the Governor in his message to the Legislature following his inauguration. Practically every person appearing before the Committee who has studied our tax system, or who now has a part in its operation, indorsed the proposal. We believe that this is the first and most important step to be taken for the equalization of taxation throughout the State. Without such a commission to supervise the operation of the tax laws in Tennessee, there will continue to exist grave inequalities, causing much complaint. The establishment of a permanent Tax Commission, which shall have among its duties also the investigation of systems of taxation in other States and the making of frequent reports to the Governor, will inevitably bring about further improvements in our tax laws, and, we believe, the adoption at some time in the near future of many of the best features of the tax systems of other States.

The assessment law of 1907, which is the present law, is an amendment of the assessment law of 1903, which, in turn, was an amendment of the law of 1899 and that of 1895. Amendments of more or less importance were passed in other years. The chief weakness is the lack of provision for a central board to direct the work of assessors over the State.

MAKING REASSESSMENT UNNECESSARY.

The two features of the present law which seem to give rise to most criticism are the inequalities in assessments and the practice of reassessment. We have come to the unanimous conclusion that the only means by which property may be equitably and adequately assessed is by securing such assessment at the beginning; and we are confident that through an improved system of making the original assessments, followed by proper equalization in the county where the assessments are made, and finally by the Tax Commission, the need of back assessments will be removed. We are recommending, therefore, that after payment of taxes the receipt shall be a finality. The State may lose a small sum by declining to reassess property, but it now loses, we believe, much more because of the general unrest of taxpayers through the fear of back assessment, for it is a notorious fact that very little of the property of Tennessee of any class is now assessed at its actual cash value.

Reassessment after the payment of taxes violates that canon of just taxation as stated by Adam Smith: "The tax each individual is bound to pay ought to be certain and not arbitrary." Capital flies from any State where there is no fixedness of taxes. It is against public policy for the tax-gatherer to harass business or industry by repeated visits. Those who commit perjury or actual fraud in evading taxes should be prosecuted criminally, and the State should also collect civil damages from such. An efficient tax commission will see that such persons are so proceeded against. They may be reached, we believe, under the general provisions of the law.

"ACTUAL CASH VALUE."

Though no words in the assessment law are more frequently used than "actual cash value," nothing, in fact, is so rare as an actual-cash-value assessment. If any such are on the assessment rolls, it is through accident or mistake of the assessor. These officials freely admitted to this Committee that, despite their official oaths, taken not only before the beginning of their work, but after its completion, property, instead of being assessed as required by law, at its actual cash value, was assessed by them, in the case of individual properties, all the way from 10 to 80 per cent. In the cases of whole counties there were frequent admissions by assessors and others that the tax aggregate did not constitute more than 25 per cent of the value of the property in the county, and in no case did any assessor state that the tax aggregate constituted more than 60 per cent of the value. One candid official, whose conscience had worried him somewhat at the wording of the oath, struck his pen through the word " cash " and returned his assessment as at the " actual tax value " of the property.

WORK OF ASSESSORS.

We would not have it thought that we in the slightest degree impugn the character of our county assessors as a class. As a rule, they are men of as high character as the average in their communities. In many counties they are paid wretchedly, and for the remuneration they receive their work may be considered good; and, in many cases, they have rendered services of a most excellent character, showing surprising efficiency in view of all the conditions under which the assessment is made. It is not creditable to Tennessee that men elected to the offices of assessor, to whom are intrusted the important duties of valuing all of the property of the taxpayers in their counties, are in many cases paid at rates not much better than are the farm hands of their counties. Under the law they are allowed only four months and twenty days in which to make their assessments. They must begin work in the dead of winter, when roads fre-

quently are impassable. They are required to go on every piece of property, see all taxpayers and require them to fill out their schedules as provided by law. The present law has many rigorous provisions to compel the taxpayer to fill out these schedules and to require the assessor to see the taxpayer and force him to do his duty. But its provisions for many reasons are loosely observed. In many counties assessors must employ deputies to assist them, and in such cases their earnings are reduced to a minimum. The fact was brought out in the investigation before this Committee that in many counties the County Court Clerks received more for copying the tax books than did the assessors for their laborious work of assessment. How may we expect the property of taxpayers in Tennessee to be properly assessed until we constitute the assessor's office one of greater dignity, allow him respectable quarters at the courthouse, pay him more adequately for work which requires scrupulous honesty, more than ordinary capacity, and painstaking care, and give him more time in which to make the assessment? Because of the fact that assessment work is arduous and difficult and is poorly paid, too many assessors have taken the easiest way to complete their tasks and have merely copied the old books. The assessor must constantly resist the efforts of thrifty tax dodgers who dog his footsteps with pleas for reductions. It was reported to this Committee that an investigation of the assessments in several counties in one of the grand divisions of the State showed that the property of estates and of widows and orphans, where the taxes were paid without question, were more highly assessed in proportion to value than any other classes of property. It is the general consensus of opinion that the larger property owners throughout the State do not pay on assessments as high in proportion to real values as the owners of small farms and small homes in cities. This is not due to any wilful discrimination on the part of the assessors, but because the value of smaller properties is more easily arrived at than that of larger properties, and also from the fact that the assessor has more pressure brought to bear on him by larger property owners than by

small property owners, and unconsciously is influenced thereby. But the fact is lamentable, and leads to the inevitable conclusion that the assessment work of the State needs supervision, and that the assessors should be permitted to give more time to the assessments and be better paid therefor. The so-called " Boards of Equalizations," appointed by the County Courts and the municipalities, do not help matters. They frequently prove only boards of reduction and undo good work on the part of the assessor. It is nearly always the case that considerable property interests secure representation on such boards. And the ulterior purpose for which such appointments are sought is usually made plain before the books are closed.

ASSESSMENTS MUCH BELOW VALUE.

It is not surprising, therefore, that, despite the advances in the values of land all over the State, which are well known to all who have investigated the subject, the tax aggregate has grown very slowly, most of the increases, as shown, being in the assessments of city property. In fact, the Comptroller's report for 1914 shows that thirty-one counties reduced their average acreage assessment between 1913 and 1914, and that there were actually six counties which were assessed at less per acre on acreage property in 1914 than in 1879. In the ten years between 1904 and 1914 the total assessments of the State increased from $429,767,706 to $672,754,691, or 56.5 per cent. This is not an increase commensurate with the growth of wealth. According to the Federal census, the capital invested in manufactures in Tennessee was $63,141,000 in 1899 and $167,924,000 in 1909—an increase of 166 per cent. The value of farm property in 1900 was $341,202,025, and in 1910 it was $612,520,836—an increase of 79 per cent. The average acreage assessment now is less than $9.

These figures speak for themselves. Our property every year is assessed on a lower basis compared to value.

In addition, statements of assessors before this Committee show that in many cases throughout the State the bases

of assessment in counties adjoining one another vary between 25 per cent and 60 per cent of the actual value of the property in those counties. The game of dodging a fair share of State taxes is being played all over the State, just as most individuals dodge taxes in their individual assessments; and such a thing as actual-cash-value assessments in accordance with the assessment law of 1907 is practically unknown anywhere. In fact, numerous assessors testified that they dared not assess property at its actual cash value; for, if they did, they were certain to lose their official positions at the next election—if, indeed, they were not before that time run out of the county. We are unable to furnish statistics as to the actual value of property in Tennessee as compared with the assessment, but from those collected by its agents the Federal Census Bureau estimates that the assessed value of property is about 38 per cent of the actual value of property in the State. We are inclined to the belief, however, from admissions made by assessors and taxpayers who have come before this Committee, that this estimate is much too high.

One State Board of Equalization, consisting of Governor, Treasurer, and Secretary of State, equalizes the assessment made by the Railroad Commission; and another State Board of Equalization, consisting of Comptroller, Secretary of State, and Treasurer, equalizes all other property. Both these boards have done careful and conscientious work, but it is hardly to be expected that in the limited time these officials can give to taxation they can do as efficient service as could a tax commission which studies values all the year round. Nor do these boards influence the initial assessments, and the experience of all States is that unless assessments are efficiently made at the outset, the equalization will be difficult, if not impossible. In 1895 the State Board of Equalization was given power to raise or lower counties, but this was taken away in 1897. The power should be vested on the Tax Commission; but if assessments are made properly, it need never be exercised.

SOME MARKED INCONSISTENCIES.

Differences in valuation of a marked nature exist in counties in the same grand division, and often between close neighbors. For instance, in Greene County the value of all farm property, as shown by the Federal census of 1910, is about five times as great as the assessment of acreage for taxation, while in Campbell County the assessment was nearly as much as the value of the farm property. In Hamilton County the assessment was a little more than the value of the farm property, while in Knox County it was only one-half as much. In Cumberland County the assessment was about four-fifths the value of all farm property, while in White County it was only one-fourth as much. Sumner and Bedford showed about one-fourth; Benton, one-third; Davidson, one-half; Lake showed one-half; and Lauderdale, one-third. There probably are good explanations for some of these differences, but we believe a careful analysis of all these figures such as might be made by a permanent Tax Commission would be very useful in more nearly bringing about uniformity of assessment in proportion to value, and would put a stop to the very gross injustice that is now being practiced against those counties which, in reality, pay a part of the taxes of the counties that are underassessed.

IN LARGER COUNTIES.

In the larger counties, where assessors are more adequately paid and are better trained for their duties, and where they keep open office at the courthouse for the year around, assessments are more efficiently made. Furthermore, by reason of the increasing costs of city and county governments, powerful influences have been brought to bear on assessors in counties containing considerable municipalities for higher assessments, and the result has been that these counties are assessed much more nearly at their true values than in those counties where no such influences are at work.

Nevertheless, even in the urban counties the law has not

been as carefully followed as it would be if there were State supervision; and, undoubtedly, more adequate equalization of individual pieces of property is needed, as well as the discovery and placing on the tax books of large amounts of city property taxable under the law which now in great measure escapes. Indeed, any complete assessment of the State will bring much more property out of hiding in cities than elsewhere. The only personal property which is at all adequately assessed in the cities is bank stocks; but the rate on these varies all over the State, ranging from 50 to 100 per cent. This undoubtedly should be made uniform. Under our present tax laws, credits and securities of all kinds are held to be property as much as is real estate. Very little of this is assessed, but that which does go on the tax books is assessed at its full value. Frequently, in the case of wealthy citizens, the amount of a man's personal property is not brought to light until after his death, and his family is then humiliated by a reassessment action. As long as the total rate of taxation for all purposes in the more populous communities ranges from 2½ to 4½ per cent on the property returned for taxation, the owner of a bond bringing 4 to 5 per cent, or even of a note bringing 6 per cent, will not voluntarily submit to assessment. To do so would be to suffer confiscation of all or nearly all the income. It is a self-evident fact that if such property could by drastic laws effectively be reached, it would fly the State, frequently the owner with it. In fact, in nearly all the richer States, where this class of property exists to a much larger degree than in Tennessee, the effort to reach and assess such property has been abandoned, and a special tax at a lower rate is levied on it. In Ohio, with a system somewhat like ours, after many years of efforts to disclose this class of property, a large amount of it finally has been brought from hiding through the simple device of actual-cash-value assessments and a limited rate. In the city of Baltimore, after personal property was placed in a class by itself and taxed at a very low rate, the assessments of this class of property in eleven years increased from about $6,000,000 to about $150,900,-

000, and the revenue of this city from this source increased sixfold.

In 1892 the percentage of our taxes collected from personal property was just about the same it is to-day—13 per cent. There has been no increase, despite the drastic laws enacted. Indeed, were such laws to be enforced, the State would be done much harm by the loss of capital. Such property, of course, should be made to bear a fair share of the burden of taxation; and this, we believe, may be done in the manner we are suggesting elsewhere in this report.

DOUBLE TAXATION.

Undoubtedly, no argument can be made in defense of our laws against the charge of double taxation. The owner of real estate is taxed on the value of the property, and the mortgagee is taxed on the value of that property also. The purchaser of a piece of property is taxed on the property, and the holder of vendor's lien notes is also taxed on that property. So, also, in the case of our corporations, under the present law we levy a tax on the value of the stock, also on the bonds of the corporation, while the bonds are also taxed in the hands of the individual bondholders. It is true that none of these provisions of our present laws have been so enforced as to constitute a discrimination or injustice, except in rare instances. But the presence of such provisions in our statutes act so as to deter capital seeking investment; and as we are endeavoring to make our tax laws enforceable, and enforce them, as we are proposing to do all laws in the State of Tennessee, this Commission has felt that these provisions ought to be considered with the greatest care.

It has been freely charged before us that a great industrial corporation was driven out of the State because of being back assessed on both the value of the stock and its bonded debt, which was very large. The officials of this county farmed out the tax in a method truly mediæval, agreeing that attorneys should have all over a fixed sum. The company finally settled for much less than at first demanded; but now the smoke no longer rolls over the coke

ovens of this formerly very important plant. No doubt, however, there were other reasons besides the harassment of back assessment and the ambiguity of our tax laws that finally induced this company to withdraw its business from Tennessee, but the fact remains that it is gone.

In drawing the new bill, we have made a distinction between public-service and private corporations.

SWORD OF DAMOCLES.

We do not join in any indiscriminate criticism of revenue agents or their attorneys who have acted conscientiously and in compliance with their duties under the law, but we think it will be well to abolish this system which has caused much just complaint. While the attainment of the ideal of cash-value assessments, we fully realize, is most difficult, nevertheless we believe that with the improved assessment system proposed in our bill it may be closely approached. To attempt any assessment otherwise than at its actual cash value is of doubtful expediency. But we should bear in mind that while a provision for actual-cash-value assessments is retained on the statute books and taxpayers are not assessed at their actual cash value, it leaves suspended over the head of practically every taxpayer the traditional sword of Damocles, ready to fall on the unsuspecting and unoffending taxpayer at any moment. Under decisions of our Tennessee courts, no citizen may obtain redress on account of increased assessment, unless he is able to show that his property has been assessed at more than its cash value. It does not relieve him that other property in his county or in the State has been assessed at less than its cash value. The holdings of our courts have been that the only standard is the question whether or not in his own assessment the law has been violated. So it is that at the present time various officials have it within their power for personal or political reasons to persecute any taxpayer in the State who is not fully assessed, and this includes most taxpayers. That such cases of persecution are very rare is due not to any protection contained in the law, but only to the restraint of the officials. Such instances do occur, however. One was reported to this

Committee where an assessor, who had just applied for a job with a mining company and had not been employed, increased the assessment of that company from $109,000 to $500,000, despite the fact that other property in the same county was assessed at a ridiculously low figure and not at all in comparison with the increased assessment of the mining company. It was with the greatest difficulty that the attorneys of this company succeeded in having a portion of the increased assessment removed.

The only true basis of assessments, in our opinion, is the actual cash value of property. This, of course, presupposes some market and a willingness of the owner to sell and the probable existence of a purchaser who would buy. It does not mean the assessment of property at inflated or fictitious values, but means the establishment of reasonable and well-sustained standards of value, considering income, increment, depreciation, possible use, etc. Such a system of assessments, based on actual cash values, is, we believe, absolutely essential to equalization all over the State. Furthermore, when individual property everywhere in Tennessee has been brought by the assessors, working under the instructions and guidance of the Tax Commission, to a basis approximating cash values, and when the boards of equalization appointed by the Tax Commission, as provided under the law we recommend, shall have equalized this property, and when the Tax Commission itself has heard complaints and passed on them, it will then be possible for the central taxing body, through personal inspection or other investigation, to consider counties as a whole, and, in cases of grave inequality, remedy such by horizontal increases or reductions of assessment, so that the whole State may be placed on exactly the same footing. Any other method does not comply with the spirit of the Constitution.

ARBITER OF ALL VALUES.

In order to bring all property in the State to the same basis of value, we think that it will be necessary to make the Tax Commission the final arbiter in the equalization of the value of all property in the State; and this Com-

mission should perform the functions of all boards of equalization. We do not under our proposed plan suggest a change in the methods by which the property of railroads and quasi-public corporations shall be assessed. However, we have recommended that this property, along with all other property, shall be equalized by the Tax Commission. We have not changed the manner of assessment of merchants' taxes, but have required that these assessments also shall be reported to the Tax Commission for the purpose of equalization. At the present time no provision for the equalization of the assessments for this very important class of property exists; and, indeed, the reports do not even contain the aggregate on which the tax is collected.

ORIGIN OF COMPLAINTS.

For many years there has been severe criticism of our tax laws. In 1895 a revenue commission of the Legislature made a study of the subject, with resulting reform amendments. It removed all obscurity as to the assessing of foreign corporations, and they had no further fears of doing business in the State. In 1897 an unjust law, compelling corporations to declare dividends, if a sufficient sum was on hand to pay 4 per cent, was repealed. In the same year it was provided that the shares of stock should not be assessed to the stockholders. There were amendments of the tax laws in 1899 and 1903, but the statute enacted in 1907 has remained on the books ever since, the Act passed two years ago, as the result of much agitation, being vetoed by the Governor.

MORE LATITUDE THAN TAKEN.

As previously noted, the chief obstacle to any fundamental change in our tax laws at the present is the inflexible article on taxation in the Constitution of 1870. However, more latitude is given under this instrument than has been taken by any Legislature since the adoption of the Constitution. And, as we shall indicate later, it is possible under the Constitution to make some marked departures in the future, as, for instance, in the manner of taxing stocks and

bonds, and also in the manner and rate of taxing the property of merchants.

However, most of the criticism against the present taxing system of the State, of course, is due to inefficiency in administration. Those States which have abandoned the decentralized system of assessments, to which, with our attachment to local self-government, we have clung, and have adopted the commission plan we are recommending, have accomplished much along the lines of tax reform; and under such central supervision, efficiency is so increased that the complaint against general property tax is much less heard.

MANY GOOD FEATURES TO PRESENT LAWS.

Otherwise our present system of taxation in most respects is one of the most liberal that has been devised and put in operation in any American Commonwealth. We have not had time to examine all the tax laws of all the States, but as far as we have investigated we have found none which makes so many exemptions of property as the State of Tennessee. In no other State of which we have knowledge is the product of the soil in process of manufacture exempted, though we have not carefully investigated the laws of all the States in this respect. The framers of the Constitution thought this should apply only to the products of our own soil; but because of a decision of the Supreme Court of the United States to the effect that we could not discriminate against the products of the soil of any of our sister States in favor of that of our own State, it has resulted that the manufacturer is required to pay no tax on any products of the soil which he has in his possession for the purpose of manufacture. And this has been held to apply also to the finished product in his warehouse. In some of our neighboring States infant industries are exempted from taxation for periods of from five to ten years, and there is ample reason for such exemption. But we are inclined to believe that the exemption given in Tennessee is much more of an encouragement to factories than that given in neighboring States, and more defensible in principle. Tennessee's laws

are liberal to manufacturers, and these industries are rapidly growing in our State. In view of our fertile soil and plenitude of agricultural products, in view also of the immense areas of mineral and timber lands in Tennessee, furnishing cheap raw materials, and in view of the available horse power and dependable labor, and with markets close at hand, Tennessee is destined to be a great manufacturing State. It is wise policy for the Legislature to encourage these industries, and this policy should not be changed, even if the State adopts a new Constitution.

EXEMPTIONS FARMERS ENJOY.

Besides exemptions made in favor of manufacturers, more property of the farmer probably is exempted than of any other class. Practically all the smaller farmers of the State secure exemptions on their personal property, household goods, tools, implements, stock, etc., on the farm, because of the constitutional provision which exempts $1,000 of personal property in the hands of each taxpayer. None of Tennessee's neighboring States have any such constitutional provision or make such exemptions. In those States such property is taxed as real estate. And the Tennessee farmer thus has the advantage. He is also exempted from taxation on the products of the soil in his possession, as is also his immediate vendee. And this clause has been given an elastic construction. Large values in farm products are thus kept off the assessment books by reason of these exemptions, and wisely so. On the prosperity of no class of our people is the general welfare of the State more dependent than on that of the farmer, and he should always be protected. But the $1,000 exemption of personal property, while a justifiable aid to the small farmer, undoubtedly has proved the cloak for more evasion of taxes than any other provision of our laws. In the cities millions of dollars of property, unquestionably, are withheld from taxation under the guise of this exemption. The assessor in the rural districts generally comes face to face with the owner of the classes of personal property which are found about a farm,

and most of these are listed and the exemptions taken. In the cities property owners rarely fill out their schedules of property, and the assessor is too busy to see the individual taxpayers; so that all personal property, in the form of household and kitchen furniture, vehicles, automobiles, jewelry, etc., largely escapes taxes. There are said to be 20,000 automobiles in the State of Tennessee, and our information is that not more than one per cent are returned for taxation. Also the assessor in the rural districts more often discovers the holders of notes, mortgages, etc. But in the cities the assessment of property of this class is more generally ignored. The fact is, as stated, that where the rate is from 3 to 5 per cent, the holder who lives in a city with a high tax rate cannot give it in without practical confiscation. If Tennessee frames another Constitution, a discrimination should be made between that property now exempted under the Constitution which is used directly or indirectly in the agriculture or industries of the State, while removing such exemption from articles of luxury not so used. Of course, as to notes and securities, an entirely different system ought to be devised.

HOW MERCHANTS FARE.

As has been said above, the manufacturer and farmer enjoy, under the present Constitution and tax laws, exemptions of great value. When we take the case of the merchant, however, we find that he must not only pay an ad valorem tax on his property as do other property owners, and at the same rate, but he is also compelled to pay a privilege tax to be permitted to do business in Tennessee. The great seal of our State presents figures of Agriculture and of Commerce, its handmaiden; but the man who comes into the State to invest his money and enter into any class of business finds tollgates erected along almost every avenue of commerce. According to the Bureau of the Census of the United States Government, Tennessee collects more in privilege and ad valorem taxes from merchants and businesses than any other State in the South, except Virginia.

The system of privilege taxes is grafted into our laws and customs, and probably will not soon be changed. Some economist has said that " the best system of taxation is that which picks the most feathers from the goose with the least squawking." The merchants have not complained much, and the exigencies of our treasury make their relief remote; but we do suggest that when we write a new system of taxes into our organic law, we study the experience of progressive States and limit license taxes to those businesses or occupations which it is desired to prohibit or restrict. The merchant is taxed also on his stock of goods. The framers of the Constitution did not intend that he should be taxed at the same rate as the holders of other property. This is shown by the fact that the Legislature is given power to tax merchants as it may see fit. It has always, however, taxed their property, so far as the rate is concerned, as other property. Unquestionably, there is a large element of injustice in this; for when we consider the fact that the merchant merely holds the property in transit between the producer and consumer and makes a small profit as a middleman, his ownership of the property is very different in principle from the ownership of real estate or other fixed property. Such property as he holds is subject to large depreciation; his business is hazardous, due to credits, competition, changing seasons, changing styles, etc. It is essentially unfair, and, despite the holdings of the courts, economically unsound, to consider his property in a class with all other property in the State. The merchant is required to file an affidavit with the County Court Clerk, giving the highest and lowest amount of his stock of goods on hand during the year. These two sums are added together and divided by two, and this arbitrarily fixed amount is taken as representing his average stock during the year, and the tax is collected on this at the same rate as on other property.

The County Court Clerk is not compelled to take the merchant's statement, but in practice he usually does. However, these statements are notorious undervaluations; and in some counties the revenue agent has an office with the County Court Clerk, and when the latter has completed the

assessment of merchants, he is ready to back assess them. Even after this process, the valuation on the stock is not the true value; for very few merchants could do business in the State and make any profit if they were assessed on the true value of their stocks of goods. After the recent failure of one of the largest mercantile establishments in the State, the assessment was found to be one-tenth of the inventory. In fact, as the present system is operated, the larger the store, as a rule, the smaller the proportion of assessment. This inequitable arrangement causes much complaint from the smaller merchants. Indeed, under the present system they are paying a large part of the taxes due from their more successful competitors. The merchants of the State are just as honest as other taxpayers, and are as anxious, we believe, for the enactment of tax laws which may be strictly enforced without injury to any business interest. It is our opinion that the taxes of merchants should be equalized in some manner like those of other property owners. A merchant ought to be visited by whatever official is given the duty of assessing his property; and when this assessment is made, it should be reported by the County Court Clerk to the State Tax Commission, and should be equalized there, as are the assessments of all other classes of property.

STRETCHING OF EXEMPTIONS.

A great deal has been said by those who appeared before this Committee as to the abuse of the exemptions of educational, religious, scientific, charitable, and other institutions contained in the present law. This subject is one of much importance, and ought to be given careful consideration by the General Assembly. We do not think any marked change in the policy of the State in the fostering of such institutions by exemptions would be approved by the people. At the same time, it has been developed in the hearings before this Committee that the law probably goes further in the way of exemptions of all kinds than was the intention of the framers, and certainly much further than the makers of the Constitution intended. We are strongly of the opin-

ion that, as regards educational institutions, a difference should be made between those organized under public-welfare charters and those that are organized and operated for profit. We believe also that whenever an exemption is allowed on an educational or charitable institution, such institution ought to be required to make reports to the State and be placed to some extent under its jurisdiction.

TAX MAPS FOR COUNTIES.

The need of tax maps for every county has been forcibly brought to the attention of the Committee. Outside of the larger cities, maps are not now used by the assessors. The result is that inaccurate descriptions of property have been reported from almost all counties. It has been the custom of tax dodgers to turn in acreage property at less than the real acreage. Frequently assessors make no effort to ascertain the acreage, and give only a general description of the property. It is estimated that a large acreage in the State escapes assessment and taxes altogether. Some city property also escapes. Without the use of accurate maps in assessing all the counties, property will continue to escape taxation. We believe that the State Geological Department, with the aid of county surveyors and engineering students at the University of Tennessee, could at small expense check up photographic enlargements of the maps already made by the United States Geological Survey for a number of counties, and thus prepare maps on which every plot of ground could be shown. Even without an existing map for a base, we are informed that accurate maps can be very inexpensively made. These maps should also contain representations of coal and mineral measures, timber, water power, etc. From the State or United States Agricultural Departments should be obtained soil surveys to accompany such maps or be a part of them. The possession of such maps would be of enormous value in the proper assessment and equalization of all property in the State and would not necessarily be very costly. They will, we believe, in a few years, pay for the expense of their making many fold through a better equalization of property.

CURSE OF TITLE LITIGATION.

An accurate survey of the State will also aid very much in arriving at some proper solution as to the problem of land titles. In many of the counties of Tennessee, especially those containing parts of the Walden's Ridge and Cumberland Plateaus, development has been almost paralyzed because of title litigation. Properties through all this region are depressed in value because the purchaser, who supposes he has bought land, finds that he has bought only a claim to land. Often the original grants or patents overlap three to six deep. Court dockets are crowded with these intricate and vexing land-title cases. Costs and lawyers' fees consume the substance of those so venturesome as to invest in this class of property. Worse than this, those in actual possession of such wild lands are contemptuous of courts, where justice is long delayed, and often recognize no law except that of force, and many a mountain murder has been committed over a title or line. Tennessee's good name is in disrepute all over the Union because many of its solemn grants issued many years ago are found to be worthless. It is useless to discuss the origin of these conditions. They exist, however, and nothing has been done to remedy them. Once the title claims in mineral and timber regions are settled, we believe, there will be immense development of our coal, iron-ore, and hardwood resources. Proper maps of this region would assist in the adjudication of titles. But we are also recommending other legislation on the subject, in the hope that all title claimants may be compelled to come into court within a time limit and have their differences adjusted, after which time no redress shall be given, and that no claimant who has not paid his taxes shall be able to sustain his claim. In connection with this, we are also recommending legislation so that titles made at tax sales may be valid.

UNIFORM BOOKKEEPING.

Our investigations lead us to believe that there is no uniform system of bookkeeping in the county offices of Tennessee. We think such a system ought to be instituted by

the Comptroller, as authorized by law. The forms in which all our reports are issued are out of date, and, if information is desired, may be dug out only by painstaking labor. The State ought to devise and print all the forms and books used in all the offices throughout the State. Traveling auditors or collectors under the Comptroller, one for each grand division of the State, are also necessary to check up the county offices and make collections for the Comptroller. Weekly settlements from the larger counties should be insisted on, and monthly settlements in all others. Frequent audits and prompt settlements will prevent the shortages, technical and otherwise, which are found too often to exist.

TENNESSEE TAX COMMISSION.

We strongly urge that the Tennessee Tax Commission shall be appointed by the Governor. He is elected by the people, and is their leader, as well as of his party. His administration stands or falls in accordance not only with his own acts, but with the acts of his subordinates. Before election he is required to make certain specific promises, as does his party. He is expected to keep these, and he needs instrumentalities in his hands to make performances possible.

The full text of the tax bill providing for a commission is given in the Appendix to this report, and we refer to it here briefly. We recommend that the Tax Commission consist of one member from each grand division of the State, the first members to serve two, four, and six years, respectively, and the subsequent appointees to serve six years from the time of their appointment. We recommend that the appointee for the long term be the first chairman. In order that men of force and ability may be secured for such positions, we strongly urge that good salaries be paid. We recommend that these be at least $4,500 for the chairman and $4,000 each for the associate members annually, and, indeed, would suggest that the Legislature consider seriously whether or not even larger sums ought to be paid. However, in view of the high dignity of the office and the extremely important duties attaching to it, we feel sure that

men with requisite qualifications can be secured at these figures. In Ohio and Wisconsin they are paid $5,000 each and in Minnesota $4,500 each.

We recommend that this Tax Commission have under its supervision the assessment and equalization of all property in the State. We do not recommend that the office of assessor be abolished, as we feel sure that excellent results may be obtained through the present assessors. We do recommend, however, that the assessors shall be placed under the complete supervision of the Tax Commission, which shall be given power to remove them for cause and appoint their successors until the first of January following the next regular county election. Under the system we are recommending it will be the duty of the members of the Tax Commission to travel over the State and thoroughly acquaint themselves with values. They will be required to appoint the boards of equalization for each county, from lists of names furnished by county chairmen and mayors of cities, which will pass on complaints from taxpayers. We are recommending that they be given power to reassess the entire property of a county by raising or lowering the same horizontally. The system of assessment and equalization which we recommend, briefly stated, contains, among other important features, those set forth in the following paragraphs:

HOW ASSESSMENTS ARE MADE.

Property is to be assessed by the present assessors as of January 10. The assessor and his deputies are to have from that date until September 1 in which to make assessments. Ten days prior to that date his office is to be open at the courthouse and all property owners invited to inspect his books. On the first Monday in September the Board of Equalization, of three freeholders, appointed by the Tax Commission, is to meet and examine his work. They shall pass on complaints, and shall also have the right to reassess any piece of property in the county, giving such taxpayers notice to appear and show cause why such should not be done. By October 1 the tax aggregate of the county shall be in the hands of the Tax Commission, and the month of

October, or longer if necessary, shall be given up to an examination by the Tax Commission of the assessment of the State, the hearings of complaint, etc. The decision of the Tax Commission on assessments shall be final. The Commission shall look into the assessments of all counties and seek to equalize them. They shall have power to summon taxpayers before them to show cause why assessments shall not be raised. On completion of assessments of each county, the assessor shall copy the books and turn same over into the hands of the County Trustee by December 1. Taxes shall be due December 1 and delinquent March 1. The present system of collecting delinquent taxes shall be followed, except with such changes as will make good the title of property bought at tax sales.

REPORTS REQUIRED.

From January 10 to September 1 each assessor shall be required to make a bi-weekly report to the office of the Tax Commission at Nashville of all the work done by him and deputies the previous weeks. Blanks shall be furnished him for that purpose. He shall state on such reports what pieces of property he has visited, what taxpayers he has assessed, what was their previous assessments, and what assessments he placed on their property. The Tax Commission shall carefully examine such reports and give assessors instructions as to their duties. They shall, so far as possible, visit the counties of the grand divisions from which they were appointed and personally instruct the assessors in their work. They shall require that each assessor see each taxpayer personally and fill out his schedule of real and personal property in accordance with the law. The Tax Commission shall have power to remove assessors for cause and appoint their successors to fill out their unexpired terms. No assessor shall receive pay in full for his work except upon certification by the Tax Commission that he has performed the duties of his office in accordance with the law. The Tax Commission shall maintain an office at the Capitol at Nashville, and shall have power to employ such clerical help as is necessary. Two of the members shall

constitute a quorum. The Commission shall elect a secretary at a salary of $1,500 per year, who shall keep minutes of all proceedings and perform such other duties as are delegated to him. Each member of the Commission shall be required to visit at least once a year each of the counties of his grand division. At any time a majority of the Commissioners sees fit, the Commissioners shall interchange grand divisions for the inspection of the counties. The Commission shall report at each biennial session of the Legislature, with such facts pertaining to a study of taxation in this and other States as it may deem advisable.

RECORDS OF PROBATES.

We recommend that every County Court Clerk in the State be required to furnish the assessor a certified list of the deeds filed for probate, giving the description of the property and the consideration; and the assessor shall prepare a duplicate copy of such transfers, with a memorandum of the assessment of the same property for taxes, which shall be filed with the Tax Commission.

We recommend also that the County Court Clerk be required to furnish the assessor with records of mortgages registered.

We recommend that it no longer be required that duplicate tax books be made, except in counties where there are no fireproof vaults in the courthouses.

INCOME TAX ON BONDS.

No State, so far as we have learned, has succeeded in securing any considerable portion of its revenue from the taxation of mortgage and lien notes, bonds, and other securities, when taxed as other property. Tennessee in theory taxes all these exactly as it does other property. In this way often two or three values are created out of one. Such a law, strictly enforced, would be ruinous to the State. In Connecticut, New York, New Jersey, Minnesota, and other States where the Constitution does not prohibit, large revenues are now derived by levying a registration tax at a low

rate on the above class of property. New York for years sought to have such property assessed; but in that State, which probably of all others is most wealthy in such personal property, the percentage borne by that property from year to year decreased. Now, however, the Empire State places a tax of one-half of one per cent on mortgages, lien notes, bonds, etc., in lieu of other taxes, and the result has proven very satisfactory from a revenue standpoint. This Committee has been very much perplexed how to reach this class of property, which undoubtedly should be taxed, but not at a confiscatory rate. We believe we have found a solution in recommending that taxes be levied on property designated as bonds, as permitted by the Constitution, which says that the State may "levy a tax upon incomes derived from stocks and bonds that are not taxed ad valorem."* We are advised that we may also declare securities such as lien notes and mortgages bonds in the meaning of the Constitution. We, therefore, recommend that these pay a tax of 10 per cent on their income as a method of arriving at their value; and we also recommend that a registration tax of one-tenth of one per cent be imposed on such instruments, based on the amount secured. We feel confident that these provisions will not drive any foreign capital out of the State. And, furthermore, we believe they will have the effect of encouraging the keeping of our own capital at home and induce the purchase of such securities. They will assist the taxpayer in making an honest personal schedule, and he will be disposed to increase his holdings of this class of property in view of the method of taxation. Money will be easier, and our taxpayers will be freed of the charge of wilful evasion of the law. We believe that if this provision is enacted into law it will enable the State of Tennessee to sell its own bonds to its own citizens. And the same is true as to municipal and county bonds.

The Wisconsin Tax Commission of 1912 reports: "A year's experience with the income tax serves to establish the refreshing fact that the average taxpayer is honest and will tell the truth, provided assessors will take the trouble to ask

*Art. II., Sec. 28.

him questions and provided the rate of taxation is reasonable." We need a face-to-face assessment in Tennessee; and with provision for an income tax on bonds at a low rate, the holders of personal property will not run from the assessors.

OTHER FORMS OF TAXES.

We do not in this report discuss, except incidentally, taxes on railroads and public-service corporations which are now assessed by the Railroad Commission, nor privilege taxes levied on insurance premiums, and telephone and telegraph and building and loan companies, nor the collateral and direct inheritance taxes, taxes on transfers of realty, nor poll taxes. There was some doubt as to whether the language of the resolution under which this Committee was appointed permitted our investigation of these subjects; and, in addition, we have been so busy on what is generally known as the Assessment Act that we have had little time to take up the other matters. We may say, however, that it was called to our attention that the sleeping-car companies pay the State only a small privilege tax. We see no reason why such companies should not be assessed like other private car companies, and that all the provisions of such Acts shall be enforced, and we are so recommending. The insurance companies pay into the State nearly as large a sum as the railroads. The tax of 2½ per cent on their gross premiums, in view of the manner in which they fix rates, is easily shifted, and apparently there is little complaint. The inheritance tax laws also bring a considerable revenue into the State treasury, and are correct in principle and not burdensome in operation. The tax on realty transfers yields nearly as much revenue as merchants' taxes.

All the aforementioned subjects are of grave importance, and should be studied with care by the Tax Commission, considering the experience of this and other States, especially States like Wisconsin, Minnesota, Michigan, and others which have revised their methods of taxing railroads and public-service corporations in recent years.

SUMMARY OF RECOMMENDATIONS.

Summarized briefly, in conclusion, our recommendations are as follows:

That a permanent Tax Commission of three members, one from each grand division of the State, be appointed by the Governor, to have supervision of the assessments and equalization of all property in the State.

That the assessors do their work under the supervision of this Tax Commission, which shall have the power to remove assessors for cause and appoint their successors until the first day of January following the next regular county election.

That merchants' taxes shall be assessed by the County Court Clerks, but shall be reported to and equalized by the Tax Commission.

That property now assessed by the Railroad Commission shall continue to be so assessed, but that the Tax Commission shall perform the duties of the Board of Equalization for such property.

That the Tax Commission shall perform the duties of the Board of Equalization for all other property.

That holders of mortgage notes, lien notes, bonds, and all such securities, public or private, shall pay a State tax on their incomes from such property. Also, that a small registration tax on such instruments shall be imposed.

That there shall be a survey of the State, and taxes assessed with the aid of county maps.

That a limit of time shall be given for the adjudication of every title now disputed in the courts, and payment of taxes shall be requisite to establishment of claim.

That after two years the holder of property under a tax title shall not be disturbed.

That after a receipt for taxes has been issued there shall be no reassessment of the property for that year or previous.

That until in the judgment of the Tax Commission it is not longer necessary, there shall be annual assessments of both real and personal property for reasons shown in this report.

That no assessor shall be fully paid for his work of as-

sessment until a certificate is issued by the Tax Commission that he has complied with the law.

That under the Comptroller a system of checking up and collecting from delinquent officials be devised, and for the installation of uniform systems of bookkeeping.

LIMITATION OF RATES.

The above constitute our main recommendations for the assessment and collection of revenues. We wish to say, in conclusion, however, that we believe public policy requires that there be a limitation of the tax rate. The taxpayer would not object to higher assessments if he did not fear that the same tax rate as at present was going to be maintained. His experience has been that when assessments were increased the rate was not reduced. He does not trust the State Legislature, the County Court, or his municipal government to make a reduction of the rate under a higher assessment. Such a large tax aggregate proves a temptation to the tax spender. This is but human nature. In our opinion, it is clearly within the power of the Legislature to limit the total tax rate for all purposes. There is now a limitation put on the tax rate of counties for county purposes. County Courts, however, levy taxes for so many special purposes that the legislative limitation is ineffective, so far as protecting the taxpayer is concerned. There is no legal or other reason, however, why the Legislature should not protect the taxpayers of the State by limiting the total rate, not only for county purposes, but also for municipal purposes. The municipal charters, as a rule, do not limit the rates. We feel sure that the people of the State would withdraw every vestige of opposition to cash-value assessments and the equalization of taxes if the Legislature in providing for the operation of such a system at the same time gave some protection from raids on the State, county, and municipal treasuries. Also, there are many obvious advantages to the property owner in higher assessments and lower rates.

We cannot at this time make any very accurate estimate on the total assessment of 1915 taxes, nor the needs of the

State for the year. So if any change is made in the rate, it ought to be conditioned on the total assessment. In the State of Missouri a system of this kind is followed. When the total tax assessment reaches a certain number of hundred millions of dollars, the rate automatically becomes fixed at a certain figure. We now have an assessment, including merchants' taxes, of approximately seven hundred million dollars. The Legislature should fix rates of State taxes to apply when the total assessment reaches eight hundred million, nine hundred million, one billion dollars, etc., and thus provide against any considerable cost of the State government.

As to limiting the tax rate for counties and municipalities, this is an even more difficult problem. Nevertheless, it is extremely important, and a solution should be found. We believe that Ohio in its tax laws points the proper course. It was provided in that State that the total amount of taxes to be levied in counties and municipalities shall not be more than a fixed per cent larger for the ensuing year than for the year in which the law went into effect. By applying this rule to counties and cities in Tennessee, and by placing the maximum increase permitted in any county and city to 6 per cent in any one year, the county and municipal authorities will be compelled to take the 1915 and 1916 tax aggregates and levy tax rates in each case which will not increase the total taxes levied and collected by such governments by more than 6 per cent. We believe this method is practical, and we strongly recommend that it be adopted. Indeed, limitation of the rates in counties and cities is more important than the State rate. Figures about to be published by the government show the total receipts of cities over 2,500 population in the State in 1913 as $12,714,846, and of the counties of the State $13,371,493. It will be seen that in both cases they exceed by about threefold the State receipts.

EQUALIZATION THE PURPOSE.

It will not, we feel sure, be the purpose of the Legislature to increase the burden of taxation, but rather to equalize it.

But it is a fundamental axiom of taxation that a community or Commonwealth may collect a much larger fund for governmental purposes without unduly burdening the individual citizens, provided the taxes are apportioned equitably on all who are able to pay a portion of the cost of government. Ability to pay is the only true guide as to justice in taxation. Patriotism dictates submission to the tax burden. Every citizen should welcome the opportunity to contribute his little or his much in support of his government, in the knowledge that a government liberally supported confers manifold benefits on its citizens.

Tennessee is now one of the most cheaply governed States in the Union. Only four other States, all Southern, impose a lighter burden on their taxpayers, as shown by per capita receipts and expenditures. These in Tennessee now average only about two dollars per capita annually, which is about one-half the average for the United States and considerably less than the average in Southern States. All the States bordering Tennessee, except North Carolina and Mississippi, expend larger sums per capita. Nevertheless, within ten years our receipts increased approximately from $2,600,000 to $4,600,000, the increase being constant from year to year, showing the prosperity of the State, and our expenses have increased in proportion. When we consider that in 1904 the State paid out for charities, schools, and pensions the sum of $989,609.44, and in 1914 paid out $3,075,142.45 for the same purposes, we see how the heart of our State has throbbed in unison with the great movements affecting the nation. Nor are we going to escape our obligations to do more for our heroes of the past, for our youth, the hope of the future, and for the unfortunates to whom we also wish again to open the door of opportunity. And, also, we are under obligation to do much more than we have done for good roads and in aid of agriculture, mining, forestry, and for other good purposes.

These demands on the State emphasize strongly the need of the equalization of our taxes and the apportionment of the burden to all the citizens in proportion to ability.

This Committee has labored earnestly to suggest some

solution for the problem, and we have had much valued and sympathetic aid from many officials and the people generally. We trust we have succeeded measurably in our difficult task, and we now ask careful consideration to the report we submit, and to the proposed statutes we have drafted in accordance therewith.

Respectfully submitted,

O. K. HOLLADAY, *Chairman.*
A. R. GHOLSON.
J. W. VANDEN.
LEO GOODMAN.
THAD. A. COX.
GEORGE F. MILTON.

WALLACE MCCLURE, *Secretary.*

Nashville, Tenn., March 8, 1915.

APPENDIX.

SENATE JOINT RESOLUTION NO. 27.

(Stevens-Murray.)

Be it resolved by the Senate of the Fifty-ninth General Assembly of the State of Tennessee, the House of Representatives concurring, That a committee of six be appointed by the Governor of the State of Tennessee, two from each grand division of the State, to investigate the question of assessment and taxation in the State and make a report in writing to the present General Assembly of the State, the result of their said investigation, and, in conjunction with the sub-committee from the Finance, Ways and Means Committee appointed by its said chairman, frame a bill or bills, same to be presented to the present General Assembly for their consideration.

SECTION 2. *Be it further resolved by the Senate, the House concurring*, That the said committee so appointed by the Governor is hereby authorized and empowered to hire a secretary and a sufficient number of clerks and stenographers, who shall receive not more than six dollars ($6) per day for their services, to assist them in said investigation.

SECTION 3. *Be it further resolved*, That the said committee so appointed by the Governor shall not be compensated, except that their expenses while making the said investigations shall be defrayed by the State.

SECTION 4. *Be it further resolved*, That five thousand dollars ($5,000), or so much thereof as may be necessary to defray the expenses of this said investigation, be, and the same is hereby, appropriated, same to be included in the general appropriation bill.

Adopted January 26, 1915.

HU. C. ANDERSON,
Speaker of the Senate.

WM. P. COOPER.
Speaker of the House of Representatives.

Approved January 27, 1915.

TOM C. RYE,
Governor.

PROVISIONS GOVERNING TAXATION IN TENNESSEE'S CONSTITUTIONS.

1796.

ARTICLE I., SECTION 26. All lands liable to taxation in this State, held by deed, grant, or entry, shall be taxed equal and uniform, in such manner that no one hundred acres shall be taxed higher than another, except town lots, which shall not be taxed higher than two hundred acres of land each; no freeman shall be taxed higher than one hundred acres and no slave higher than two hundred acres on each poll.

ARTICLE I., SECTION 27. No article manufactured of the produce of this State shall be taxed otherwise than to pay inspection fees.

1834.

ARTICLE II., SECTION 28. All lands liable to taxation, held by deed, grant, or entry; town lots, bank stock, slaves between the ages of twelve and fifty years, and such other property as the Legislature may from time to time deem expedient, shall be taxable. All property shall be taxed according to its value, that value to be ascertained in such manner as the Legislature shall direct, so that the same shall be equal and uniform throughout the State. No one species of property from which a tax may be collected shall be taxed higher than any other species of property of equal value. But the Legislature shall have power to tax merchants, pedlars, and privileges, in such manner as they may from time to time direct. A tax on white polls shall be laid, in such manner and of such amount as may be prescribed by law.

ARTICLE II., SECTION 29. The General Assembly shall have power to authorize the several counties and incorporated towns in this State to impose taxes for county and corporation purposes, respectively, in such manner as shall be prescribed by law; and all property shall be taxed according to its value, upon the principles established in regard to State taxation.

ARTICLE IV., SECTION 1. All freemen of color shall be exempt . . . from paying a free poll tax.

1870.

ARTICLE II., SECTION 28. All property—real, personal, or mixed—shall be taxed; but the Legislature may exempt such as may be held by the State, by counties, cities, or towns, and used exclusively for public or corporation purposes, and such as may be held and used for purposes purely religious, charitable, scientific, literary, or educational, and shall exempt one thousand dollars' worth of personal property in the hands of each taxpayer, and the direct product of the soil in the hands of the producer and his immediate vendee. All property shall be taxed according to its value, that value to be ascertained in such manner as the Legislature shall direct, so that taxes shall be equal and uniform throughout the State. No one species of property from which a tax may be collected shall be taxed higher than any other species of property of the same value; but the Legislature shall have power to tax merchants, peddlers, and privileges, in such manner as they may from time to time direct. The portion of a merchant's capital used in the

purchase of merchandise sold by him to non-residents and sent beyond the State shall not be taxed at a rate higher than the *ad valorem* tax on property. The Legislature shall have power to levy a tax on incomes derived from stocks and bonds that are not taxed *ad valorem*. All male citizens of this State over the age of twenty-one years, except such persons as may be exempted by law on account of age or other infirmity, shall be liable to a poll tax of not less than fifty cents nor more than one dollar per annum. Nor shall any county or corporation levy a poll tax exceeding the amount levied by the State.

ARTICLE II., SECTION 29. The General Assembly shall have power to authorize the several counties and incorporated towns in this State to impose taxes for county and corporation purposes, respectively, in such manner as shall be prescribed by law; and all property shall be taxed according to its value, upon the principles established in regard to State taxation.

ARTICLE II., SECTION 30. No article manufactured of the produce of this State shall be taxed otherwise than to pay inspection fees.

GOVERNOR RYE'S RECOMMENDATIONS CONCERNING TAXATION, QUOTING THE DEMOCRATIC PLATFORM PROVISIONS, IN MESSAGE TO THE LEGISLATURE, JANUARY 18, 1915.

STATE TAX COMMISSION.

If the property of the State were listed for taxation at its fair market valuation, and if all the hidden personal property that never shows up on the tax lists were brought to light, the general assessment of property for the State would be increased threefold. Reasonably good laws in other States and good administration of the laws have resulted in more than double the amount of property being listed for taxation and in reductions of the tax rate. The most effective machinery for making assessments and administering the laws relating to the assessment and equalization of property values is a State Tax Commission, with broad and ample powers in matters of administration and in the employment of assessors. The Democratic platform strongy expressed the policy of the party on this subject; and, as it will be the guide for a majority of this body, I am quoting it in full here as follows:

"In the assessment of property, we favor a policy having for its object a fair, equitable, and just treatment of all taxpayers alike. We oppose discrimination as among the different classes of taxpayers and demand that all property—real, personal, mixed—be compelled to bear its proportionate part of the tax burden, subject only to those exemptions authorized by the Constitution of our State. Especially do we demand that personalty of every character not otherwise exempt, including intangible corporate property, be made to bear its share of the tax levy as now required of farm lands and other classes of real property. We consider it to be no greater detriment to the public welfare to omit from the assessments landed estates of a prosperous farmer than to permit the hidden securities of thrifty capitalists and tax dodgers to entirely escape the tax rolls. While it must be admitted that many millions of dollars' worth of personal property annually escapes assessment in our State, it cannot be denied that there is scarcely a foot of soil that is not each year forced to yield a high tax tribute that the laws demand. We declare and instruct for the thorough modification, revision, and reconstruction of the laws of Tennessee with reference to the assessment and collection of all taxes, to the end that all property in this State may, with least expense and vexation to the people, be made to bear its proper and equitable tax burden; and to this end we declare and instruct for the passage of legislation which will insure:

"1. That all taxes shall be promptly, fairly, and equally assessed; and that all taxes, so nearly as possible, be collected while currently due, without the necessity of vexatious and expensive tax litigation.

"2. That current assessments may be so thorough and fair that necessity for any back assessments shall be reduced to an absolute minimum, and shall be limited to the proper and equitable and inex-

pensive back assessment of property which has been omitted entirely, and which, as a result of actual fraud, has been inadequately assessed.

"3. We declare in favor of the passage of an Act to the effect that after property has been regularly enlisted and assessed by the Tax Assessor and its value fixed and passed by a County Board of Equalization, and after having passed the County Board of Equalization, such property shall not be made subject to back assessment.

"4. We favor the collection of such limited back taxes as can by the result of diligence be collected when due. The collection of such back taxes should be promptly and inexpensively made by the County Trustee, aided by the County Attorney or Attorney-General, and such revenue should be turned into the treasury.

"5. That a Tax Commission be created and empowered to make all tax assessments uniformly and thoroughly.

"6. Back tax litigation should not be expensive, vexatious, or productive of burdens to the citizens. We pledge our nominee for Governor, when elected, to appoint a commission of six competent men, two from each grand division of the State, and who will serve without compensation, to carry out the provisions of this platform with reference to taxation."

It will be observed that the Democratic platform pledges the appointment of a commission of six competent men to serve without compensation, while investigating and preparing a bill creating a permanent Tax Commission and a complete system of laws on this subject. I will announce these appointments without delay; and in view of the fact that they are to serve without compensation, I suggest to the General Assembly that an appropriation be made covering their actual and necessary expenses while engaged in this work. I further suggest that the Speakers of your bodies designate members of the Committees on Finance, Ways and Means to act as a sub-committee and work in conjunction with the committee which I shall appoint. By hard and faithful work these committees should be able to submit a bill in plenty time for full consideration before adjournment.

INDEPENDENT DEMOCRATIC PLATFORM PLANK ON TAXATION, 1914.

As to the fiscal affairs of the State, we favor a thorough overhauling of the present system of taxation, without the bias of factionalism and without the motive of political revenge, but for the benefit of the State.

REPUBLICAN PLATFORM PLANK ON TAXATION, 1914.

We condemn the present back-tax system on account of its injustice to the individual, its discouraging effect on the growth and progress of the State, and the notorious graft that has resulted from it.

We congratulate the present Comptroller upon the fact that he has so far succeeded in administering this objectionable law free from any suspicion or complaint of graft. The laws of taxation in this State are in need of a thorough overhauling. We believe in making the assessment and equalization laws so thorough and strict that every class of assessable property in every part of the State will be made to bear its just proportion of the expenses of the government; and we also believe that when the property has been thus assessed and the assessment passed by such an equalization board, the same should be final for that year, and that the citizens should not be harassed by a back assessment

or reassessment, except in cases where, by the omission or fraud of the property holder, equity has not been had.

We favor a bi-partisan Commission on Taxation, to be appointed by the Governor of the State, whoever he may be. We indorse the course of Governor Hooper in opposing the enactment of the bill in the last Legislature which proposed to empower the Legislature to elect a Commission on Taxation by the usual log-rolling process. Such a law, with the kind of commission that would have been elected, would have been tenfold worse than the present system in its imposition on the taxpayers of the State.

ORGANIZATIONS, OFFICIALS, AND CITIZENS HEARD FROM.

In the hearings before this Committee the following organizations, officials, and other citizens presented statements:

Tennessee Manufacturers' Association, through Hon. T. R. Preston and John Stagmaier, of Chattanooga, and Capt. T. F. Bonner, President, and C. C. Gilbert, Secretary, of Nashville; Board of Commerce, of Knoxville, by John D. Caldwell; Nashville Commercial Club, by W. R. Manier, J. L. McWhorter, and Joseph Frank; Business Men's Association, of Nashville, by J. H. Allison, B. N. Curry, Joseph White, C. A. Winter, and C. L. Cornelius; Real Estate Exchange, of Nashville, by James Palmer and G. R. Gillespie; Memphis Cotton Exchange, by J. P. Norfleet, John H. Gage, and Paul Dillard; Tennessee Highway Association, by Edward Meyer; Southern Appalachian Coal Dealers' Association, by John E. Patton, of Chattanooga, J. K. Keeney, of Cumberland Gap, and George N. Camp, of Knoxville; Vanderbilt University, by Chancellor J. H. Kirkland, Dr. St. George L. Sioussat, and Dr. L. C. Glenn; Castle Heights School, of Lebanon, by Prof. L. L. Rice; International Pressmen's Union, by Hon. George L. Berry, of Hawkins County; Farmers' Union, by L. M. Rhodes, President, of Huntingdon; Knoxville Real Estate Exchange, by H. M. Branson.

The following State officials testified before the Committee:

Commissioner of Agriculture T. F. Peck; Superintendent of Banks J. L. Emerson; State Treasurer Porter Dunlap; Secretary of State R. R. Sneed; Comptroller-elect John B. Thomason; Comptroller G. P. Woollen; Chairman of Railroad Commission B. A. Enloe; Railroad Commissioner George N. Welch; former Railroad Commissioner Frank Avent; Attorney-General Frank M. Thompson; State Geologist A. H. Purdue; State Auditor George M. Clark; Revenue Agent W. A. Owens, of East Tennessee; Revenue Agent Tom Greer, of Middle Tennessee; State Archivist G. W. Dyer.

The following county and city officials appeared before the Committee:

Assessor Jesse Webb, of Davidson County; Commissioner of Accounts Lyle Andrews, of Nashville; City Attorney A. G. Ewing, of Nashville; County Court Clerk W. F. Hunt, of Davidson County; Assistant City Assessor R. H. Anderson, of Memphis; Assessor Emil Wassman, of Hamilton County; Assessor W. P. Trotter, of Montgomery County; Assessor J. B. Cowley, of Maury County; County Court Clerk Jesse L. Henson, of Knox County; County Judge C. Holman, of Robertson County; Assessor George Stevens, of Bedford County; Mayor Hilary Howse, of Nashville; former County Judge Key, of Smith County; Assessor D. K. Reeves, of Smith County; Assessor G. B. Dillon, of Benton County; Assessor M. G. Corlett, of Williamson County; County Court Clerk W. O. Watson, of Putnam County; former Assessor J. F. Shipp, of Hamilton County; Assessor L. B. Thompson, of Wilson County; former Assessor J. M. Williams, of Davidson County.

The following other citizens appeared before the Committee:

Hon. W. B. Swaney, of Chattanooga; Phil S. Taylor, of Washington County; Dr. John D. Blanton, of Nashville; Judge John M. Gaut, of Nashville; Mr. Norman Farrell, Jr., of Nashville; Prof. Marvin T. Dun-

can, of Nashville; J. M. Williams, of Nashville; Hervey Whitfield, of Clarksville; E. F. P'Pool, of Nashville; Prof. E. P. Moses, of Nashville; Maj. E. B. Stahlman, of Nashville; J. G. Jetton, of Murfreesboro; Charles J. Haase, of Memphis; Eugene Clark, of Memphis; John Fletcher, of Nashville; A. M. Leach, of Montgomery County; Mr. Woodward, of Bedford County; Col. J. H. Acklen, of Nashville.

In addition to the views presented in person before the Committee at the public hearings, carefully prepared statements in writing were sent in by many interested in tax reform, and also drafts of proposed bills and sections of bills, all of which proved of value.

Complete general assessment bills were filed by the Tennessee Manufacturers' Association and by the Public Efficiency League of Knoxville. Acts dealing with particular phases of the subject were submitted by H. M. Branson, of Knoxville; Attorney-General D. J. Caldwell, of Obion County; and, in response to a request of the Committee, by Edward E. Barthell, Esq., of Nashville.

The Board of Trade, of Bristol, by N. B. Remine, Secretary, and the Young Men's Good Government League, of Hamilton County, by E. E. Brown, President, forwarded resolutions to the Committee.

The following have filed their views in writing with the Committee:

Charles Brown, President of the Bank of Granville, Granville; J. R. Browder, of Lenoir City; Hon. G. D. Lancaster, of Chattanooga; S. M. Chambliss, of Chattanooga; Gen. D. J. Caldwell, of Union City; J. A. Millard, of Bristol; Col. Sam L. King, of Bristol; William Mathes, of Johnson City; H. M. Branson, of Knoxville; County Judge W. M. Pollard, of Davidson County; Trustee John Y. Peete, of Tipton County; Col. L. D. Tyson, of Knoxville; R. P. Williams, of Knoxville; B. B. C. Witt, of Ducktown; D. C. Young, of Sweetwater; J. B. Young, of Bemis; C. G. Bond, of Jackson; J. H. Birchfield, of Milligan College; W. F. Barry, of Charleston; J. D. Clement, of Benton; C. F. Dalton, President, Trades and Labor Council, Jackson; Joseph W. Deadrick, of Edgemore; W. E. Dyer, of Chattanooga; A. S. Elder, of Trenton; J. P. Johnson, of Crossville; J. N. King, of Cookeville; J. W. Lillard, of Decatur; Oscar C. Myers, of Chattanooga; W. S. Nunley, of Vernon.

The following County Court Clerks wrote suggestions as to improvements of the tax laws and gave information as to the conditions in their counties:

John G. Hearing, Bradley.
J. F. Cooper, Campbell.
R. L. Sharp, Claiborne.
J. A. Gibson, Coffee.
R. L. Conyers, Crockett.
T. R. Dickson, Dickson.
W. J. Blevins, Fentress.
E. P. Shelton, Grundy.
J. G. Templin, Hamblen.
J. W. Clift (Trustee), Hamilton.
J. W. Page, Henderson.
W. I. Dale, Henry.
W. L. Downey, Hickman.
D. H. Goodrich, Humphreys.
George R. Loftis, Jackson.
W. D. Hill, Jefferson.
C. S. Carney, Lauderdale.
J. R. Brewer, Lawrence.
Noah Prince, McNairy.
J. A. Thompson, Madison.
R. M. Tillery, Meigs.

COMMITTEE ON TAXATION.

J. H. Centon, Polk.
J. A. Kemp, Smith.
G. W. Williams, Stewart.
Harvey Bromley, Wayne.
Joseph Gessler, Warren.
H. L. Coe, Wilson.

The following County Assessors wrote suggestions as to improvements of the tax laws and gave information as to the conditions in their counties:

G. B. Dillon, Benton.
J. D. Sullivan, Bledsoe.
H. E. McQueen, Carter.
Garfield Russell, Claiborne.
W. L. Flynn, Cumberland.
H. L. Moore, DeKalb.
J. D. Morton, Fayette.
George D. Simmons, Franklin.
F. M. Tidwell, Giles.
O. M. Kilday, Greene.
C. D. Hillis, Grundy.
N. A. McMillan, Hardin.
J. S. Culpepper, Henry.
R. L. Carlew, Humphreys.
A. Lichlyter, Jefferson.
W. S. Bunton, Johnson.
C. D. McCullor, McNairy.
T. H. Temple, Madison.
W. A. Langley, Morgan.
D. T. Cantrel, Overton.
Charles R. Countiss, Putnam.
Frank P. Ewton, Sequatchie.
W. R. Madewell, Van Buren.
S. C. Goodin, Weakley.

The Committee desires to express its appreciation of the contributions of all the citizens and organizations whose names have been recorded and to any others who may have been accidentally omitted from this list; also to the press of the State for its inestimable assistance; and especially to Hon. T. R. Preston and Hon. W. B. Swaney, of Chattanooga; Hon. E. E. Barthell, of Nashville; Dr. John Lee Coulter, of Peabody College; and Hon. Frank M. Thompson, Attorney-General of the State.

COST TO THE STATE OF CONDUCTING THE INVESTIGATION OF ASSESSMENT AND TAXATION.

Traveling expenses of members, to date	$ 409 25
Rental of headquarters, members' hotel expenses, telephone calls, etc., to date	397 15
Publishing the Committee's report (McQuiddy Printing Co.)	242 21
Salary of secretary (February 1 to April 1)	200 00
Salary of stenographer (February 8 to March 10)	112 50
Incidental expenses, stamps, stationery, outside stenographic work, etc., to date	84 20
Estimated expenses not yet encountered	150 00
Total	$1,595 31

March 10, 1915.

Consolidated statement showing principal sources of revenue of State of Tennessee and principal items of disbursements, 1903-04 and 1913-14.

RECEIPTS	1913-14	1903-04
Trustees	$3,586,810.62	$2,362,043.49
County Court Clerks	1,643,415.40	1,091,776.79
Circuit Court Clerks	115,047.90	95,283.71
Chancery Court Clerks	25,917.78	14,986.11
Other Court Clerks	19,031.23	15,366.45
State tax, railroads	672,296.73	419,136.16
State tax, street railway companies	98,298.71	----------
State tax, insurance companies	725,270.97	377,666.87
State tax, telephone companies	119,108.70	27,861.70
State tax, charters	109,828.72	67,127.00
State tax, other companies	67,236.48	70,879.47
Fees, coal oil inspectors	146,340.73	85,446.98
Fees, Sec'y of State and corporation reports	207,369.21	24,626.60
Fees, insurance	20,298.20	6,758.87
Maintenance of convicts	967,395.90	992,662.58
Bureau of Agriculture	129,687.11	25,696.50
School fund	106,424.83	----------
Insane hospitals	170,427.48	----------
Tennessee Industrial School	59,206.62	----------
Other State institutions	24,331.86	1,627.50
Interest on deposits	38,332.61	----------
State Banking Department	20,217.20	----------
Miscellaneous	94,585.64	54,061.31
Total receipts	$9,166,870.63	$5,733,008.09

DISBURSEMENTS	1913-14	1903-04
State prosecutions	$ 342,499.36	$ 336,483.78
Interest, State debt	978,626.50	1,012,876.00
Interest, school funds	----------	546,368.74
School fund	2,819,081.10	67,477.36
Salary (judicial)	473,414.61	291,978.14
Salary (other)	191,719.95	112,606.19
Clerk hire	73,946.11	32,570.32
Legislative per diem, mileage, and expense	174,471.86	88,499.20
Capitol expense	38,879.58	22,828.12
Supreme and Court of Appeals expense	55,275.40	15,389.38
Other principal officers' expense	54,922.60	13,853.35
Charities	1,333,838.21	715,293.35
Pensions (soldiers and widows)	1,628,547.29	363,791.54
Maintenance of convicts	811,467.29	619,093.45
Bureau of Agriculture	105,263.96	27,814.87
Sinking fund	208,000.00	601,277.00
National Guard	49,670.17	16,759.84
Mine Inspector	32,799.17	13,151.79
Geological Survey	31,411.68	----------
Board of Health	32,303.44	8,135.74
Public printing	25,942.48	9,905.59
Banking Department	23,579.63	----------
Miscellaneous	293,919.58	110,484.41
Total disbursements	$9,779,579.97	$5,025,637.16

TABLE SHOWING TOTAL ASSESSMENTS IN TENNESSEE FROM 1899 TO 1914

YEAR	ASSESSMENT PERSONAL PROPERTY*	ASSESSMENT REAL ESTATE	ASSESSMENT RAILROADS	ASSESSMENT TELEPHONE COMPANIES	ASSESSMENT TELEGRAPH COMPANIES	TOTAL
1899	$37,693,240	$271,021,726	$55,296,412	$ 625,782	$ 708,006	$365,345,166
1900	48,493,768	291,865,380	55,296,412	625,782	708,006	----------
1901	48,784,758	299,759,635	56,710,396	888,792	729,340	----------
1902	49,923,053	297,964,660	56,710,396	888,792	729,340	----------
1903	51,655,051	300,107,718	58,536,566	1,477,033	778,934	----------
1904	55,417,428	313,175,378	58,536,566	1,477,033	778,934	429,767,706
1905	57,427,866	316,557,745	69,378,413	2,177,908	761,997	----------
1906	58,378,271	344,519,946	69,378,413	2,177,908	761,997	----------
1907	66,985,287	353,419,648	82,921,226	2,840,915	1,004,845	----------
1908	68,722,101	375,464,628	82,921,226	2,840,915	1,004,845	----------
1909	76,594,597	382,045,139	88,059,897	2,950,666	840,361	----------
1910	78,297,887	421,404,591	88,059,897	2,950,666	840,361	----------
1911	79,324,281	426,681,085	94,908,045	3,909,986	857,881	----------
1912	78,458,470	447,552,416	94,908,045	3,909,986	857,881	----------
1913	84,261,128	455,741,827	105,394,645	5,181,950	1,180,475	----------
1914	86,837,352	474,160,269	105,394,645	5,181,950	1,180,475	672,754,691

*The amount collected by the Comptroller for merchants' ad valorem taxes in 1914 was $104,199.02. The assessments on merchants are not listed in the Comptroller's office; but as the State receives thirty-five cents on each one hundred dollars, it is evident the assessment of such property, excluding that which has not paid the tax, is $29,774,000.

COMPARATIVE STATEMENT SHOWING THE ASSESSED VALUATION OF PROPERTY, EXCLUSIVE OF RAILROAD, TELEGRAPH, TELEPHONE, AND STREET RAILWAY PROPERTY IN 1914, TAKEN FROM THE REPORTS OF THE COMPTROLLER, AND STATEMENTS OF ASSESSORS AND OTHER COUNTY OFFICERS WHO HAVE COMMUNICATED WITH THE COMMITTEE

COUNTIES	Total Assessed Value 1914 (by Assessors)	Total Assessed Value 1904 (by Assessors)	Assessed Value of Acres 1914	Assessed Value of Acres 1904	Assessed Value of Town Lots 1914	Assessed Value of Town Lots 1904	Average Value of Acreage per Acre 1914	Average Value of Acreage per Acre 1904	Average Value of Acreage per Acre 1879	STATEMENTS OF COUNTY OFFICERS		REMARKS
										Percentage of Assessed to Real Value Realty General Per'ty	Combined State and County Rate	
Total	$560,997,621	$367,952,806	$224,154,622	$175,742,457	$250,005,647	$137,432,921	$8.64	$6.95	$5.83	----%	$	
Anderson	2,518,590	2,068,460	1,695,425	1,465,910	361,780	300,215	8.69	7.28	4.66			
Bedford	5,640,329	4,606,779	3,564,540	3,359,347	913,190	645,350	12.04	11.91	13.59			Changes oath to "actual tax value."
Benton	1,476,030	1,069,090	1,112,550	886,200	255,170	114,985	4.34	3.40	3.24	35		Wishes to copy his own books.
Blesdoe	1,161,873	706,549	796,820	579,712	72,300	37,740	2.73	2.19	1.88	33 67-100	1.62 and a pike bond tax	Assessor recommends that assessors should have power to examine banks and use all means to find hidden personalty.
Blount	3,789,010	2,634,190	2,512,800	2,033,090	615,370	312,160	7.17	6.21	3.97			
Bradley	3,118,341	2,236,515	1,210,627	1,131,685	1,175,880	656,660	5.87	5.24	5.51	33	1.70 (1.65 in Cleveland)	
Campbell	4,270,389	3,512,780	2,535,864	1,955,560	1,085,030	771,500	8.49	6.81	2.54	69	2.00	Clerk thinks some of the privilege taxes should be changed.
Cannon	2,069,155	1,369,510	1,526,610	1,131,830	138,710	97,460	9.28	7.01	6.56			
Carroll	3,956,005	2,967,895	2,720,475	2,087,775	987,250	629,095	7.55	5.79	4.06			
Carter	1,743,117	1,420,235	1,218,387	895,030	336,245	225,475	5.06	4.06	2.88	65-80		Assessor recommends that all transfer deeds pass through his office.
Cheatham	1,175,698	1,115,051	978,480	970,443	131,585	73,570	5.42	5.16	4.27			
Chester	1,520,700	922,878	1,057,530	662,782	324,000	167,690	6.30	3.92	Organized 1882			
Claiborne	2,011,500	1,236,738	1,562,221	996,617	75,524	62,473	6.57	4.25	3.98	17-100	2.25	Assessor recommends true value assessment and reduction of rate; also that no personalty be exempt.
Clay	1,409,524	967,876	1,164,415	806,793	41,950	25,120	7.79	5.32	5.56			
Cocke	2,978,011	2,268,100	1,939,984	1,604,110	512,370	364,680	7.28	6.80	4.36			

Coffee	2,212,438	1,831,483	1,329,739	1,034,713	566,775	469,735	4.79	3.74	4.01	33	1.60	Clerk recommends higher assessment and lower rate.
Crockett	2,373,928	1,589,970	1,757,575	1,215,880	315,390	163,790	10.63	7.41	8.45	25	1.70	Assessor and clerk recommend true value assessment and reduction of rates.
Cumberland	1,506,950	1,447,045	1,286,330	1,307,530	112,330	66,060	2.62	3.00	.76	50	2.05	Assessor approves raising assessment and lowering rates.
Davidson	87,603,520	54,038,080	12,618,340	8,613,020	62,819,200	35,046,840	42.98	29.62	21.21			Assessor says his county assessed more than surrounding counties.
Decatur	1,241,140	839,086	927,708	742,271	92,452	32,599	4.54	3.87	3.81			
DeKalb	2,361,350	1,727,420	1,740,525	1,324,020	255,450	171,645	9.13	7.14	7.21	40	1.25	Assessor recommends true value assessment; urges a law that will force uniform assessment and that will pay a competent assessor a reasonable salary
Dickson	1,986,650	1,472,500	1,293,490	1,018,030	489,570	307,620	4.59	3.19	3.07		2.00	
Dyer	5,612,975	4,346,875	3,704,150	2,827,050	1,473,725	987,800	11.84	9.30	6.00			
Fayette	3,791,904	2,839,750	3,131,455	2,439,630	441,090	224,310	7.05	5.50	6.19	45	1.50	
Fentress	2,150,973	767,525	2,034,543	731,350	19,660	14,950	4.18	2.74	.80	Very near actual valuation.	1.75	
Franklin	3,554,080	2,709,060	2,174,720	1,868,350	872,790	538,480	6.18	5.12	4.04	25-100		
Gibson	8,788,625	6,035,425	5,213,025	3,807,050	2,506,275	1,541,275	14.23	9.00	10.06			
Giles	6,674,850	4,785,600	4,328,700	3,458,125	875,975	636,050	11.46	9.43	9.36	25		Assessor recommends that all notes should require his stamp to validate them.
Grainger	1,569,570	1,323,484	1,344,383	1,183,584	39,615	32,659	7.65	6.87	6.02			
Greene	3,564,070	2,973,900	2,583,656	2,281,880	473,450	325,260	6.78	5.73	5.88	25 Largely escapes.		Assessor recommends repeal of the thousand-dollar exemption clause.
Grundy	1,272,927	871,408	719,930	524,894	300,390	234,710	1.82	1.57	1.43	75	1.65	Assessor recommends that the work of assessment begin about August 1. Some undesirable property is now assessed at full value. Clerk recommends lower rate, higher assessment.
Hamblen	3,053,217	2,278,940	1,426,515	1,146,235	1,077,425	740,700	13.41	9.13	9.27	67	1.74	Clerk notes public sentiment for higher assessment and lower rate.
Hamilton	45,960,370	22,129,690	5,550,595	3,473,105	31,916,405	13,641,415	22.74	14.78	9.19	60	1.65	Assessor claims county assessed higher basis than neighbors; uses maps.
Hancock	581,385	512,400	451,980	439,413	5,800	5,260	4.24	3.92	4.80			
Hardeman	3,309,940	2,181,904	2,157,690	1,527,254	683,222	419,628	5.47	3.84	5.48			
Hardin	2,482,020	1,988,220	1,866,190	1,557,480	252,830	138,470	5.39	4.53	4.26			Assessor recommends that taxes should be paid January 1 in order that there may be money enough to make the next assessment at the proper time.
Hawkins	2,356,370	2,138,752	1,866,070	1,725,602	222,630	219,845	6.67	4.73	6.22			
Haywood	3,643,560	2,953,659	2,552,740	2,018,240	820,610	650,470	7.82	6.03	6.73			
Henderson	2,210,722	1,463,150	1,586,777	1,129,335	408,940	189,880	4.98	3.64	4.39	60	1.60	Clerk recommends assessment at full value and lower rate.
Henry	4,543,200	3,477,820	2,699,120	2,312,560	1,194,840	803,730	7.42	6.44	5.10	65	1.45	Assessor recommends higher assessments and lower rate.
Hickman	3,008,680	2,301,863	2,122,590	1,682,834	332,710	141,365	5.83	4.06	3.91	50	1.45	Clerk recommends higher assessment and lower rate; says small man is paying proportionately more than others.

COMPARATIVE STATEMENT—*Continued*

Counties	Total Assessed Value 1914 (by Assessors)	Total Assessed Value 1904 (by Assessors)	Assessed Value of Acres 1914	Assessed Value of Acres 1904	Assessed Value of Town Lots 1914	Assessed Value of Town Lots 1904	Average Value of Acreage per Acre 1914	Average Value of Acreage per Acre 1904	Average Value of Acreage per Acre 1879	STATEMENTS OF COUNTY OFFICERS		REMARKS
										Percentage of Assessed to Real Value Real General Property	Combined State and County Rate	
Houston	$ 9,325,113	$ 701,638	$ 550,560	$ 453,728	$ 163,460	$ 140,420	$4.38	$3.62	$2.95	%	$	
Humphreys	2,377,220	1,973,221	1,670,100	1,458,665	345,260	265,722	5.11	4.43	3.32	67		Assessor recommends that there should be an assessor for each civil district; clerk favors full value assessment, a tax commission, etc.
Jackson	1,714,375	1,288,300	1,413,675	1,069,600	65,625	52,575	8.02		4.48	Anywhere up to actual value.	2.20	Clerk says small farms are assessed at something near cash value, while the larger ones are not.
James	767,104	765,473	604,168	570,947	60,748	33,502	5.23	5.06	5.08			
Jefferson	2,821,862	2,414,758	2,058,961	1,848,552	326,890	245,596	10.73	12.39	8.54	33	2.40	Assessor recommends true value assessment and abolition of exemptions.
Johnson	1,146,773	914,227	852,396	747,807	71,090	32,974	4.46	4.17	1.89	33 80-100	1.52	Assessor recommends true value assessments and lower rates. Says the equalization board cuts his assessment of bank stock to eighty per cent.
Knox	37,382,130	22,397,679	7,092,805	5,278,680	24,360,140	13,304,650	22.74	18.01	11.53			Clerk says having transfer deeds pass through assessor's office brings results.
Lake	2,480,527	1,585,748	1,817,795	1,247,616	366,925	134,395	20.64	11.10	7.57			
Lauderdale	4,028,262	3,192,222	2,675,930	2,263,505	905,095	520,825	9.73	8.31	5.05	33	1.42	
Lawrence	2,533,245	1,408,655	1,643,180	992,405	449,755	197,395	4.14	2.11	2.41	33	1.75	
Lewis	1,067,549	605,420	781,286	529,288	84,105	11,720	4.20	3.10	1.34			
Lincoln	6,229,210	4,572,860	4,105,540	3,244,274	1,065,280	709,055	11.77	9.27	8.07			Clerk recommends full assessment; low rate.
Loudon	2,163,180	1,565,892	1,226,865	1,152,304	522,775	228,458	8.92	9.27	7.26			
McMinn	2,772,875	1,933,840	1,427,300	1,382,080	881,094	343,315	5.31	5.61	6.56			
McNairy	1,986,644	1,263,414	1,489,630	1,033,532	260,820	167,390	4.51	3.16	3.69	60	1.45	
Macon	1,485,820	1,041,265	1,330,120	963,546	38,873	15,165	6.91	5.37	4.16			
Madison	8,373,490	5,192,435	2,706,875	1,942,925	4,411,790	2,543,555	8.09	5.09	6.98	60		Assessor recommends assessment at true value and rates fixed accordingly; also that assessor have salary, payable monthly; clerk recommends State Tax Commission, etc.
Marion	3,022,825	2,145,065	2,006,728	1,453,651	573,275	319,263	7.67	4.39	2.94			
Marshall	3,873,450	3,024,480	2,651,020	2,368,350	447,400	257,225	11.49	10.29	11.53			
Maury	11,811,775	9,824,400	6,361,925	5,982,525	2,635,750	2,081,975	18.04	16.11	14.61			Assessor puts lower assessment on young banks.
Meigs	1,006,946	821,733	842,435	744,824	14,370	10,925	6.23	5.34	6.51	50	1.45	
Monroe	4,093,600	2,479,214	2,482,180	1,682,894	664,740	362,420	5.92	4.52	3.67			
Montgomery	7,066,200	6,676,590	3,331,080	2,917,610	3,057,250	2,873,010	9.84	9.09	7.71	50		
Moore	734,327	625,686	503,868	501,293	42,205	56,742	6.88	6.89	6.75			
Morgan	2,081,239	1,001,498	1,494,689	799,633	210,960	109,012	5.11	2.39	1.08	75 100	1.85	

Obion	9,335,328	7,048,615	6,409,647	5,011,107	1,863,782	1,298,121	18.66	14.85	8.49			
Overton	1,316,375	982,412	912,680	805,989	57,980	20,120	3.70	3.19	2.40	75	1.70	
Perry	1,193,344	1,023,624	913,559	804,167	59,355	41,560	3.66	3.01	2.98			
Pickett	503,000	405,400	448,975	359,025	6,050	3,800	4.82	4.02	Organized 1881			
Polk	5,064,974	2,428,618	2,978,735	1,800,931	286,165	95,646	13.14	6.14	3.40	25-50		
Putnam	2,603,900	1,574,970	1,548,230	1,129,555	529,545	198,095	6.00	4.94	3.40	33-50		Assessor recommends appointed assessors, etc.; clerk says supervision necessary.
Rhea	2,290,782	2,063,216	1,566,920	1,434,653	498,935	317,510	7.01	7.06	3.82			
Roane	4,194,921	2,870,475	1,974,823	1,564,157	1,396,143	915,355	8.68	7.08	7.85			
Robertson	5,166,444	4,907,470	3,127,915	2,893,085	1,189,910	743,230	10.70	9.08	8.27			
Rutherford	7,805,975	6,354,117	4,622,130	4,106,471	1,914,310	1,301,070	12.30	10.89	13.15			
Scott	1,476,785	1,319,415	1,124,210	1,093,925	133,570	70,065	3.65	3.69	.84			
Sequatchie	702,330	402,975	633,685	361,535	36,420	29,980	3.34	2.10	1.39	33 75-80	1.95	
Sevier	2,610,680	1,782,385	2,044,885	1,571,070	177,490	62,950	5.19	3.96	2.67			
Shelby	99,201,106	53,633,565	11,560,120	7,938,831	73,815,590	38,173,010	27.53	18.07	12.60			
Smith	4,770,870	3,376,570	3,390,360	2,601,640	199,470	147,930	16.80	13.06	12.39	Majority of farms at fair value.	1.41	Clerk thinks smaller farms are paying at a higher rate than the others.
Stewart	1,892,320	1,423,100	1,546,440	1,191,060	133,900	105,420	5.43	4.07	3.72	50	1.50	Clerk recommends a county attorney to assist the assessor before the equalization board and that the board be appointed by a central authority, preferably the Governor, from a list of names submitted by this attorney.
Sullivan	5,072,370	3,915,609	2,102,880	1,856,318	2,217,945	1,638,073	8.05	7.13	5.13			
Sumner	5,370,781	3,991,375	3,768,680	2,874,880	727,776	551,370	11.41	8.21	8.60			
Tipton	3,334,339	2,627,475	2,512,234	1,979,922	630,140	515,840	9.12	7.36	7.18			
Trousdale	1,590,725	1,017,487	1,030,990	762,503	164,530	90,525	14.76	11.67	10.49			
Unicoi	576,569	318,127	320,230	279,278	192,925	21,925	2.27	2.34	1.35			
Union	783,623	711,332	724,156	666,353	12,776	14,005	6.07	5.73	5.46			
Van Buren	983,266	319,550	952,709	292,536		4,315	3.28	1.52	1.61	100	2.00	
Warren	2,740,011	2,313,605	1,585,611	1,467,395	610,875	464,660	5.72	5.07	5.48	25-95 for valuable and small properties respectively.		Clerk recommends some other equalization procedure than that of the equalization boards; also that assessments be at a fixed percentage of true value.
Washington	4,616,240	3,269,410	2,424,830	2,066,320	1,489,860	781,770	11.11	9.91	6.03			
Wayne	1,803,390	1,351,470	1,388,090	1,017,910	174,840	122,595	3.01	2.09	2.56	33-50	1.65	
Weakley	7,119,800	5,039,776	4,599,445	3,502,789	1,531,605	895,815	13.00	7.30	7.81	60	1.55	Assessor recommends that law require taxpayers to come to county seat and give in their property for taxation.
White	1,637,936	1,743,876	1,104,743	1,021,831	96,842	178,533	3.06	4.25	4.19			
Williamson	7,291,300	5,905,880	4,852,382	4,317,455	966,540	722,530	13.57	12.02	11.88		1.35	Assessor recommends higher assessments, lower rate.
Wilson	7,741,310	5,037,330	4,797,960	3,723,200	1,291,800	661,100	13.39	10.28	10.67	40	1.35, 24c to be worked out.	People should come to assessor.

BILLS RECOMMENDED TO THE LEGISLATURE BY THE COMMITTEE.

PROVIDING THE RATE OF TAXATION.

AN ACT to provide the rate of taxation for the State of Tennessee and the counties and municipalities thereof.

SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee*, That the taxes on every one hundred dollars' worth of property shall be fifty cents for the year 1915 and for every subsequent year thereafter, thirty-five cents of which shall be for state purposes and fifteen cents for school purposes; *provided, however*, that if the total assessment of all property, including merchants' capital, shall in the year 1915 or any subsequent year be eight hundred million dollars, the tax rate for the State shall be thirty-two and one-half cents, and for schools fourteen cents, on the one hundred dollars' worth of property; if the total assessment shall be nine hundred million dollars, the tax rate for state purposes shall be thirty cents, and for schools twelve and one-half cents, on the one hundred dollars' worth of property; if the total assessment shall be one billion dollars, the tax rate for state purposes shall be twenty-seven and one-half cents, and for schools eleven and one-half cents, on the one hundred dollars' worth of property; if the total assessment shall be one billion two hundred million dollars, the tax rate for state purposes shall be twenty-four cents, and for schools ten cents, on the one hundred dollars' worth of property; and if the total assessment shall be one billion five hundred million dollars, the tax rate for state purposes shall be twenty cents, and for schools eight cents, on the one hundred dollars' worth of property.

SECTION 2. *Be it further enacted*, That no county or municipality shall levy taxes for the year 1915 more than six per centum in excess of the levy for 1914; and in no subsequent year shall any county or municipality levy taxes for more than six per centum in excess of the taxes levied for the previous year; *provided, however*, that the provisions of this section shall not apply to privilege taxes.

SECTION 3. *Be it further enacted*, That all laws or parts of laws in conflict with this act be, and the same are, hereby repealed.

SECTION 4. *Be it further enacted*, That this act take effect from and after its passage, the public welfare requiring it.

GENERAL ASSESSMENT BILL.

AN ACT to provide more just and equitable laws for the assessment and collection of revenue for state, county, and municipal purposes; and to repeal all laws in conflict with the provisions of this act whereby revenue is collected from the assessment of real estate, personal property, privileges, and polls.

SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee*, That all property—real, personal and mixed—shall be assessed for taxation for state, county, and municipal purposes, except such as is declared exempt in the next section.

SECTION 2. *Be it further enacted*, That the property herein enumerated, and none other, shall be exempt from taxation:

(1) All property of the United States, all property of the State of Tennessee, of any county of said state, or of any incorporated city, town, or taxing district in the state that is used exclusively for public or municipal corporation purposes.

(2) All property belonging to any religious, charitable, scientific, or educational institution, not operated for profit, when physically used exclusively and directly for the purpose for which said institution was created. All property belonging to such institutions physically used in secular business, or maintained for rental purposes, although the revenue therefrom becomes a part of the general fund for the purposes of the institution, shall be taxed on its whole or partial value in proportion as the same may be physically used in secular business, or maintained for rental purposes. All unimproved property belonging to such an institution not physically used by it for its purposes shall likewise be taxed.

(3) All cemeteries not operated for profit, places of burial used as such, and monuments of the dead.

(4) All roads, streets, alleys, and promenades where condemned, dedicated, or thrown open for public travel or use free of charge.

(5) All growing crops, of whatever nature or kind, the direct product of the soil of this state, in the hands of the producer or his immediate vendee, and manufactured articles from the produce of this state in the hands of the manufacturer.

(6) Personal property of the value of one thousand dollars in the hands of each taxpayer; *provided*, that any conveyance of personal property, including money, bank stock, notes, choses in action, accounts, or any other evidence of indebtedness, in trust or otherwise, to any minor by the parent or parents thereof, shall be presumed to have been made for the purpose of avoiding the payment of taxes thereon, if it appear that such conveyance affects enough personal property which, added to the amount of personal property remaining in the hands of such parent or parents, will exceed in the aggregate the amount heretofore set out as exempt from taxation; and it shall be the duty of the assessor to list all such property as the property of the person making such conveyance or creating such trust; *provided*, that the maker or makers of the trust instrument or conveyance or delivery of such property may appear before the board of equalization of the county and by proof establish the bona fides of such trust or conveyance.

SECTION 3. *Be it further enacted*, That in order to provide revenue for state, county and municipal purposes, real estate and personal property, privileges, and polls shall be assessed annually. The first assessment under this act shall be made in the year 1915.

SECTION 4. *Be it further enacted*, That all property of every kind shall be assessed at its actual cash value. The term "actual cash value," whenever used in this act, is hereby defined to mean the amount of money the property would sell for if sold at a fair, voluntary sale, considering its earning capacity, its future increment, its possibility for every sort of user, and any and all elements that go to make up its fair cash value.

SECTION 5. *Be it further enacted*, That the basis of all assessments shall be as follows—to wit:

(1) To assess the property to the person or persons owning or claiming to own the same on the tenth day of January of the year for which the assessment is made, if known; if not, to unknown owners.

(2) To assess the property held by executors and administrators in the county, district, or ward in which the decedent resided at the time of death until such shall have been distributed; but if the decedent lived in another state, then the property shall be assessed where the personal representative resides.

(3) To assess personal property held by trustees and guardians of minors, married women, and lunatics to each guardian or trustee in the county, ward, or district where such minor, married woman, or lunatic resides, if a resident of the state; and if a nonresident, then in the county, ward, or civil district in which the guardian or trustee resides; *provided*, that guardian funds shall be assessed in the county where the guardian having control thereof renders his annual settlement.

(4) All stocks in banks, savings banks, or banking associations, loan companies, trust companies, insurance companies, investment companies, cemetery companies, and all other corporations not assessable by the members of the Railroad Commission of the State of Tennessee, shall be assessed as hereinafter provided in sections 21-25 pertaining to the same. However, the property of every street railroad, gas and electric light company, including its franchises used within any town, city, or taxing district where the office of the company is located outside of such incorporated city or town or taxing district, but with the main property within the city, shall be taxed in the city, town, or taxing district as if the office were situated within the city limits; and the property, including franchises of the corporations and joint stock companies that lie wholly or mainly within any incorporated city, taxing district, or town, or whose chief business is within any incorporated city, taxing district, or town, shall be assessed for taxation in such city, taxing district, or town; *provided*, that all realty and tangible personalty shall be taxed in the district where situated.

(5) Hereafter all mineral and timber interests and all other interests of whatsoever kind or character, whether for life or a term of years, in real estate, including the interest which the lessee may have in and to the improvements erected upon land where the fee, reversion, or remainder therein is exempt to the owner, and which said interest or interests is or are owned separate from the general freehold, shall be assessed to the owner separately from the other interests in such real estate, which other interest shall be assessed to the owner thereof, all of which shall be assessed as real estate.

SECTION 6. *Be it further enacted*, That in assessing real estate, the following shall be shown:

(1) The description of the property.

(2) The name of the true owner or owners, if known.

(3) The actual cash value of the land or lot, exclusive of improvements, the improvements, and also all interests in real estate or improvements thereon assessable as under subdivision 5, section 5, of this act. The taxpayer shall, in making out his schedule, state how much insurance he carries upon his improvements.

SECTION 7. *Be it further enacted*, That in describing real estate, the following rules shall be observed: The number of town lots (and blocks) of the property, as a whole or a part, shall be given; the name of the street, avenue, alley, or road on which it fronts and the front feet thereof shall be given, unless the size, dimensions, and quantity make it impossible, then to be given in acres. If the property is a part of any known subdivision, its size, dimensions, quantity, and front feet or acres shall be given. In describing tracts of land, when it can be done, the surveyor's district, range, township, section, and sectional subdivision shall be designated and the number of acres. The lands by which the described tract is bounded shall also be given in the assessment. When part of a known tract, subdivision, lot, or block of land is assessed by a description which identifies it, any other part of it which is assessed, but not so identified, shall be held to embrace all of such tract, subdivision, lot, or block not included in the part identified; but a failure to assess according to this act shall not in any wise vitiate the assessment or sale of lands under the same, and parol testimony shall always be admissible to supply a description of land on the assessment roll or in conveyance for taxes, where such testimony will show what land was assessed and sold, and there is enough in the description on the roll or conveyance to be applied to a particular tract or parcel of land by aid of such testimony.

SECTION 8. *Be it further enacted*, That—

(1) All personal property of every kind shall be assessed under the following classifications:

CLASS 1. Household and kitchen furniture, tableware, libraries, jewelry, sewing machines, guns (more than one gun), musical instruments, and all other personal property of a similar character.

CLASS 2. Farming implements, machinery, wheeled vehicles, automobiles, tools of all kinds, and all other personal property of a like character.

CLASS 3. All kinds of live stock, including dogs.

CLASS 4. Steamboats, ferryboats, and other kinds of water craft.

CLASS 5. All evidences of indebtedness issued by the state or by any political subdivision thereof, and all evidences of indebtedness the payment of which is secured by lien, trust deed, or mortgage on real (or personal) property, shall be classed as bonds.

CLASS 6. All shares of stock, except when the corporate property or capital stock is assessed in lieu of the shares of stock as hereinafter provided in sections 21 and 22 of this act.

CLASS 7. Notes, duebills, choses in action, accounts, mortgages, or any other evidence of indebtedness, and money on hand or on deposit or invested in any manner in this state or elsewhere not otherwise assessed.

CLASS 8. All other personal property not hereinbefore designated.

CLASS 9. All personal property which is a part of the capital invested in the business of a merchant shall not be assessed separately, but

shall be assessed as part of the capital as provided in section 26 of this act.

(2) In assessing steamboats and ferryboats, boats navigating within streams within or bordering on this state, the same shall only be assessed to the extent of the interest therein of any person, company, corporation, or firm residing or doing business in this State.

(3) All bonds as defined in class 5 of subdivision 1 of this section shall be listed at their par value. The tax list shall also show the gross annual income from such bonds, and the tax thereon shall be one-tenth part of such gross annual income. This tax shall go to the state, and shall be in lieu of all other taxes on such bonds. No county, municipality, or taxing district shall have the right to levy such tax or otherwise tax this class of property.

(4) The fact that any personal property may be deposited, incumbered, or transferred or pledged as collateral or loaned or out of the possession of the owner, whether the same be in or out of this state, shall not in any wise excuse the same from being listed and reported for taxation.

(5) In the assessment of personal property, the taxpayer shall, in making out his tax schedule, state how much insurance he carries on his personal property.

SECTION 9. *Be it further enacted*, That—

(1) The assessors elected at the regular August election, 1912, shall hold their office for the term of four years, beginning January 1, 1913.

(2) In case of vacancies, the commission shall appoint an assessor, who shall hold office until the first of January following the next regular August election. The assessor shall be elected by the qualified voters at the first regular August election coming after the vacancy, and he shall hold office from the first day of the following January to the close of the term for which his predecessor was elected.

(3) There shall be elected one assessor for the whole county of each and every county in the state. The office of civil district assessor is hereby abolished wherever the same now exists.

(4) No member of the county court shall be eligible to hold the office of assessor.

(5) Where not otherwise provided by existing law, the compensation of assessors shall be as follows: In counties having a population of 120,000 or over according to the federal census of 1900 or any subsequent census, the assessor shall be paid out of the county treasury a salary of $4,000. In counties having a population of over 60,000 and less than 120,000 according to the federal census of 1900 or any subsequent census, the assessor shall be paid out of the county treasury a salary of $2,500. In all other counties, the salary of the assessor shall be fixed by the county court, either at the January or April term of the county court preceding the election at which the assessor is to be elected; and when so fixed, the same shall not be changed during the four years for which the assessor is to be elected, to be paid out of the county treasury; but in no case shall the compensation exceed, for the assessor and his deputies, twenty-five cents for each person assessed with real and personal estate (the personal exceeding $1,000) and poll, twenty-five cents for each person assessed with personal estate only (exceeding $1,000 in value) and poll, fifteen cents for each person assessed with real estate only and fifteen cents for each additional assessment of separate realty, twenty-five cents for each person assessed with real estate and poll, fifteen cents for each person assessed with personal estate only (exceeding $1,000 in value), twenty cents for each person assessed

with real and personal estate only (exceeding $1,000 in value), and five cents for each person legally listed for a poll only.

(6) It shall be the duty of the assessor to deduct the $1,000 exemption of personal property on all assessment blanks.

(7) Whenever the assessor of any county finds that he cannot, by devoting his entire time and attention to the duties of the office, make the assessments of property and polls as required by this act, he is hereby authorized to appoint one or more deputies, with the permission of the commission, with all the powers, duties, and liabilities of the assessor, and they shall take the same oath required of the assessor. The assessor shall be liable for any malfeasance, misfeasance, or nonfeasance of his deputies.

(8) In counties of 60,000 inhabitants or over according to the federal census of 1910 or any subsequent census, the assessor shall, within ten days after the end of each month, make affidavit that the employment of such additional help was necessary, and shall give the name of each deputy and the amount of his compensation, and that such compensation is reasonable. Said affidavit shall be filed with the county court clerk and become a part of the public record. In no case shall the aggregate annual compensation of the deputies of any county assessor exceed the salary of the county assessor by more than fifty per cent.

SECTION 10. *Be it further enacted*, That—

(1) The assessor of each county shall, on or before the first day of January next succeeding his election, enter into a bond, with two or more good and sufficient securities, payable to the State of Tennessee, in the sum of ten thousand dollars, to be approved by the county judge or chairman of the county court, conditioned that he shall impartially, honestly, and to the best of his knowledge and ability assess all properties at their actual cash values; impartially and faithfully discharge the duties of his office, obey the requirements of his oath of office and of the assessment laws of the state, and pay to the State of Tennessee all penalties of every kind and character incurred by him (or by his deputy) and imposed by this act, and also to be liable for any wilful, knowing, or negligent failure by which any property subject to taxation shall be or remain unassessed or be assessed at less than its actual cash value.

(2) Each assessor shall take and subscribe to the following oath of office before the judge or chairman of the county court, which said oath shall be attached to and filed with said bond in the office of the clerk of the county court—viz.:

"I, ————————, assessor (or deputy assessor) of property and polls of the county of ————————, State of Tennessee, do solemnly swear (or affirm) that I will report privileges; that I will assess all property—real, personal, and mixed—at its actual cash value, and all polls of said county of ————————, to the best of my knowledge and ability, without fear, favor, or affection; that I will administer the oath or affirmation required by law, or have the same administered, to all persons listing property; that I will diligently inquire, so that no person shall be passed over or shall fail to have an opportunity to give a list of his taxable property, and furnish taxpayers schedules as required by law; that I will truly report all persons who shall fail or refuse to list their taxable property or who have to my knowledge given in a false or fraudulent list; and that I will faithfully, impartially, and honestly discharge my duties as assessor according to law to the best of my knowledge and ability; and that I will administer the oath in person to all property owners as the law requires, when practicable; and that I will

not assess or list any person with property or polls solely by substitution or copy from former assessment, so help me God.

"————————, Assessor."

"Sworn to and subscribed before me, this ———————— day of ————————."

(3) Each deputy assessor shall likewise take his oath and file the same with the county court clerk before entering upon the discharge of his duties.

(4) Each assessor, when he makes his report of his assessment, as hereinafter provided, shall accompany the same with the following oath, to be made and subscribed to before the county judge or chairman of the county court and filed in the office of the trustee:

"I, ————————, assessor of the county of ————————, State of Tennessee, do solemnly swear (or affirm) that I have set out in the foregoing assessment list all the property—real, personal, and mixed—and all the privileges and polls in said county of ————————, as far as ascertainable, to the true owners thereof, and that I have required lists to be filled, sworn to (or affirmed), and filed by all property holders or their agents or attorneys, and reported such as have not done so to the district attorney, and reported lists of all parties liable for polls, and that I have estimated the value of all property—real, personal, or mixed—at its actual cash value, as prescribed by law, to the best of my knowledge and ability, without fear, favor, or affection; and that I have faithfully discharged my duties and kept my oath of office as assessor according to law to the best of my knowledge and ability, so help me God."

"Sworn to and subscribed before me, this ———————— day of ————————."

(5) Each deputy assessor shall take and file with the county trustee said oath of office upon completion of his duties as assessor.

(6) It is hereby declared unlawful for any assessor or deputy assessor to enter upon or undertake the performance of the duties of an assessor without first taking said preliminary oath of office, or to fail, neglect, or refuse to take and accompany the said report of his assessment list with the subsequent oath heretofore prescribed.

(7) It shall be the duty of the county judge or chairman of the county court and of the county trustee promptly to report to the district attorney and to the commission any failure, neglect, or refusal of any assessor or deputy to comply with the foregoing requirements of this act.

(8) It shall be unlawful for any assessor or deputy wilfully, knowingly, or negligently to permit or allow any property subject to taxation to be or remain unassessed or omitted from assessment, or wilfully, knowingly, or negligently to assess any property at less than its cash value, or to assess any property or polls solely by substitution or copy from former assessment.

(9) It shall be the duty of each assessor to make out a full and complete list and transmit the same to the district attorney of the district and to the commission of all taxpayers within his jurisdiction who shall have failed or refused to take the oath or affirmation required by law to tax schedules, and also of all taxpayers who shall have refused, failed, or neglected to return as prescribed by law such tax schedules to the assessor.

(10) Such lists shall be prepared and forwarded at the same time the assessment lists are returnable by law to the county trustee. It shall be the duty of the district attorney, upon the reception of such lists transmitted to him by the assessor, ex officio to prosecute such persons as are included in the same for the misdemeanor prescribed by

this act. It shall be unlawful for any assessor to fail, refuse, or neglect to make out such list and transmit the same to the district attorney and the commission as herein required.

(11) It shall be a misdemeanor in office for the district attorney negligently to fail or refuse to prosecute such persons reported to him in such list.

(12) It shall be unlawful for any assessor or deputy wilfully, knowingly, or negligently to assess any property subject to taxation in the names or the initials of any other than the real and true owner thereof, and for each of such offenses he shall be fined not less than five dollars nor more than twenty dollars.

(13) It shall be unlawful for any assessor or deputy to fail, refuse, or neglect to perform, obey, and observe any duties or requirements of this act not above declared unlawful.

(14) Before any county judge or chairman shall approve or accept any bond of any assessor, he shall read the bond required of the assessor to the assessor and his sureties, and direct their attention to the duties and penalties prescribed by this act. It is hereby declared a misdemeanor in office for any county court clerk to fail or neglect to keep and preserve such bonds in a well-bound book, or for the county judge or chairman to accept or approve of any bond herein designated without complying with the foregoing provisions.

SECTION 11. *Be it further enacted*, That—

(1) It shall be the duty of each assessor to add up all columns, showing number of acres assessed and their value, number of town lots assessed and their value, separating improvements from land in each case; the value of personalty assessed, separating tangible and intangible personalty; the total value of all property assessed, and the total amount of exemptions, in his county; and such other data as the commission may from time to time require, before his books shall be received by the trustee.

(2) Each assessor shall, on or before the first day of January following his election, execute and enter into a new bond in the amounts now provided by law and conditioned as directed in this act; and it shall be unlawful after said date for any assessor to perform the duties of assessor without giving such bond; and in case such bond is not made by said date, his office shall become vacant and be filled as is now or may then be provided by law.

SECTION 12. *Be it further enacted*, That—

(1) It shall be the duty of the assessor in person or by deputy—viz.:

(*a*) To go on the premises and examine realty to be assessed.

(*b*) To see personally each taxpayer residing in his county or his agent or attorney and take his personal statement (filled out in the blank schedule hereafter mentioned) of all property of such taxpayer, whether the same be real, personal, or mixed, without regard to any exemptions.

(*c*) If any taxpayer is a nonresident, or if the owner cannot be found or seen after diligent search, the assessor shall fill out such statement, sign, and indorse on the same that the taxpayer could not be found after diligent search.

(*d*) In such case it shall be his duty to examine any person who he may have reason to believe has any knowledge or information as to the property of the taxpayer. For such purpose he shall have the power to administer oaths and compel any witness to answer, and it shall be the duty of any person to answer when called upon to do so by any assessor or his deputy.

(*e*) Assessors and deputies shall have like powers and perform like duties when there is any reason to believe or suspect that any taxpayer has withheld or concealed from such schedule any property or failed to list any property, which may be done by questions put to the taxpayer, his agent, attorney, or any other person.

(2) Any person swearing falsely or corruptly or knowingly in any material statement in such schedule or to any statement made as a witness to such assessor or deputy shall be guilty of perjury and indictable for the same. It shall be the duty of the commission to investigate any such cases reported, and it shall have the power to call on proper authorties to bring suits to prosecute such offenders, and also bring civil suits for damages.

(3) Any witness refusing to take such oath or make such answers when called upon by the assessor to do so shall be guilty of a misdemeanor, and, upon conviction, shall be fined not less than ten dollars nor more than one thousand dollars.

(4) Such assessor or deputy shall reduce to writing such statements as may be made by any property holder or witness under the foregoing provisions and file the same in his office.

(5) It shall be the duty of the taxpayer, his agent or attorney, to fill out, or have the assessor or deputy to fill out for him, the schedule hereafter provided for; and the assessor or deputy assessor shall require an oath to be made to the same, personally before him by said taxpayer or the agent or attorney of such taxpayer, to the correctness of the items and the questions therein, and that said schedule fully and truly and without evasion, reservation, or concealment sets out all properties of every kind and character of the taxpayer or property holder therein named; and for said purpose each assessor and deputy is invested with the powers to administer such oath.

(6) If any taxpayer shall fail, neglect, or refuse to fill out said schedule and each question fully and according to law, sign, and swear (or affirm) to the same, and return it to the assessor not later than the first day of July of each year, then the assessor shall make the assessment against such taxpayer.

(7) The assessor shall note upon his books opposite the names of taxpayers who have refused, neglected, or failed to fill out and return said schedule and whom the assessor has assessed for such failure, neglect, or refusal. Such taxpayers shall be notified thereof by said assessor or his deputies at least five days before the board of equalization commences its annual session, and said taxpayers must show good cause why said assessment should not be made. An entry of the notice shall be made, together with the date thereof, on the assessor's books opposite the taxpayer's name.

(8) If the taxpayer fails, neglects, or refuses to appear before the assessor or the board of equalization prior to its final adjournment, then the amount thus assessed by the assessor shall be conclusive against the taxpayer, and said taxpayer shall be required to pay the taxes on said amount; *provided, however*, nothing herein shall be taken as conclusive against the state, county, or municipality.

(9) Said oath shall be entered on such schedule beneath the same and subscribed and sworn to by the party listing, but nothing in this act shall be construed as requiring the person listing the property to make oath to the value of the property; but it shall be the duty of such assessor to examine into and compute the actual cash value for taxation of the property contained in the list made out by himself or the taxpayer or the agent or attorney of the taxpayer.

(10) It shall be a misdemeanor for any taxpayer or the attorney or agent of any taxpayer to fail, neglect, or refuse to fill out or have filled

out the schedule or list hereinafter provided for; to fail, refuse, or neglect to take and subscribe to the oath or affirmation required to such tax schedules; or to fail to return the same to the assessor as prescribed by law, which misdemeanor shall, upon conviction, be punishable by a fine of not less than ten dollars nor more than fifty dollars.

(11) It shall be the duty of the assessor or deputy to furnish taxpayers with the schedule hereafter provided for, and demand or require such taxpayer to fill out such schedule and to take and subscribe to the oath required to be made to the same.

(12) The assessor shall report at frequent intervals, to be fixed by the commission, on the progress of his work in assessing the county. He shall set out on blanks furnished by the commission, or by the comptroller under direction of the commission, the names of the taxpayers from whom he has obtained schedules filled out, the pieces of property on which he or his deputies have actually been, the assessments on such properties for the previous year, and the valuations which he has placed upon such properties, and, if sold since the previous assessment, the price at which such properties were sold.

SECTION 13. *Be it further enacted*, That the assessor shall assess the property in each district and ward separately; and to this end he shall proceed to assess the property in a district or ward, commencing at some corner or outside point of the district or ward and assess it in rotation as it joins or lies contiguous to the property first assessed, and shall proceed in the regular manner until he shall have made the circuit of the district or ward, and he shall enter such assessment in suitable books (by districts and wards) to be prescribed by the commission and furnished by the county court.

SECTION 14. *Be it further enacted*, That in any suit hereafter brought in any of the courts of this state upon any note, bill, bond, or other chose in action subject to taxation under the provisions of this act, it shall be competent for any defendant to such action to allege and show in defense that such note, bill, bond, or other chose in action was not given in or included in the owner's assessment for taxation for the preceding year; and upon such defense being established to the satisfaction of the justice, court, or judge trying the case, the owner or holder bringing such suit upon said note, bond, bill, or other chose in action shall be taxed with all the court costs of the case, and the said court shall declare in rendering such judgment a lien in favor of the state, county, or municipality to which said unpaid taxes are shown to be payable, said lien to be discharged by a release on the docket of said court showing the payment of the said taxes, said release to be executed by the proper tax-collecting officer or officers; *provided*, all renewals of notes, bills, bonds, or other choses in action shall be treated as one continuous debt; and *provided, further*, that unsettled accounts shall not be included in this section.

SECTION 15. *Be it further enacted*, That—

(1) It is hereby made the duty of the comptroller, at the direction of the commission, to prepare assessment schedules and furnish the same to the assessor of each county. The schedules shall be so prepared as to conform to the different classifications of assessments provided for in this act.

(2) The schedule shall contain such questions and shall be in such form as the commission may promulgate.

(3) Said comptroller shall in like manner prepare and furnish

schedules to be used by the assessor in assessing corporate property and shares of bank stock.

(4) All schedules prepared by the comptroller in conformity with this act shall have appended to the schedule the respective oaths prescribed by this act.

SECTION 16. *Be it further enacted*, That persons acting as executors, administrators, guardians, agents, attorneys, clerks of any court, or in any fiduciary capacity whatever, shall make a return of the property, moneys, credits, and effects held or controlled by them in any of said capacities, separate from their individual returns, showing the names of the person or persons for whose use and benefit such is held, and the same shall be listed separately for taxation; *provided*, that every such trust estate shall be entitled to the same exemption as if owned by a single taxpayer.

SECTION 17. *Be it further enacted*, That in all cases where any person or persons acting in a fiduciary capacity, company, firm, corporation, agent, or attorney, shall fail, neglect, or refuse to return to the assessor the schedule of property for taxation as provided for in this act, the assessor shall report in writing the fact to the chairman or judge of the county court, who shall cite the person, agent, attorney, firm, officer or officers of the company or corporation before him, and shall demand of them to answer the questions heretofore provided in this act under oath or affirmation, and shall have power to punish for contempt for failure to answer; and if the refusal to answer is persisted in, the judge or chairman shall make such an assessment in such cases from the best information that he can obtain, and such assessment shall be prima facie evidence as to the value and ownership of the property, and the costs accruing by proceedings under this section shall be paid by and be charged against the taxpayer and upon the property.

SECTION 18. *Be it further enacted*, That the assessor shall make a report to the commission of the assessment list on or before the first Monday in September of each year as to the realty, personalty, privileges, and polls, and turn over his books to the board of equalization, to be acted upon by it when appointed, as hereinafter provided, and said books and lists are thereafter to be preserved as a part of the office records of the office of the assessor.

SECTION 19. *Be it further enacted*, That whenever there is an error in the books of a trustee or municipal collector in the valuation or description of property where the same occurs in an error in transcribing the books, or other error material to valuation or description, the assessor shall certify the facts to the trustee or municipal collector, who shall receive the tax on the corrected valuation and report the difference in his errors and releasement list, or shall make such other corrections as such certificate may show right and proper.

SECTION 20. *Be it further enacted*, That on all transfers of realty, trust deeds, and mortgages, both real and collateral, there shall be levied and paid in lieu of all other taxes a state tax of one dollar per one thousand dollars on the consideration or amount secured by said trust deed or mortgage, which shall be in the case of a transfer of realty not less than the value of the property, which tax shall be collected by the clerk of the county court; and the county register is hereby required not to record said deed, trust deed, or mortgage until the clerk certifies

that this tax has been paid; but no fee shall be charged for such certificate or registration of the same, and such certificate need not be registered.

SECTION 21. *Be it further enacted*, That—

(1) Every quasi-public corporation doing business and being operated in this state—such as gas works, waterworks, electric light companies, and all other corporations public in their character and which possess rights, franchises, good will, and privileges—shall pay an ad valorem tax upon the actual cash value of its corporate property, including its franchises, easements, incorporeal rights, good will, and privileges, and all other corporate property, which said value shall not be assessed at less than the aggregate actual cash value of both its shares of stock and bonded debt, and which said value shall be computed by looking to and considering the market value; and if no market value, the actual value of such stock and bonds to the corporation; and *provided, also*, that the assessed value of the corporate realty and tangible personalty otherwise assessed shall be deducted in making the assessment from the value of the corporate property or capital stock. Real estate and tangible personalty of any corporation defined in this section shall be assessed in the same mode and manner and where situate as other real estate and tangible personalty. In computing the value of and assessing corporate property or capital stock under this section, the assessed value of real estate and tangible personalty shall be deducted from the aggregate actual cash value of the corporate property or capital stock, and the remainder shall constitute the value upon which the assessment shall be based. The value of the capital stock or corporate property as used in this section shall be construed as including all tangible and franchise value.

(2) All corporations, foreign and domestic, other than those hereinbefore designated in this section and in the proviso in this clause, shall be assessed in the same mode and manner as manufacturing corporations set out in section 22 of this act; *provided, however*, section 21 shall not be construed as including railroad, street, and interurban electric railway, telegraph, and telephone companies, which are provided for in other laws; nor shall it be construed as including manufacturing corporations, which are provided for in section 22 of this act; nor banking, building and loan, loan, investment, insurance, and cemetery companies, which are provided for in section 24 of this act.

(3) The assessment and taxation of corporate property provided for in subdivisions 1 and 2 of this section shall be in lieu of any assessment of and tax upon the shares of stock of any corporation so assessed and taxed to the individual owners thereof.

(4) For the purpose of assessing quasi-public and other corporate property defined in this section, the president or chief officer in charge of and operating the business shall fill out and furnish, upon his request therefor, to the assessor, under oath and in writing, an assessment schedule (to be returned by the assessor to the commission for preservation), which schedule shall contain such questions and be in such form as the commission shall promulgate.

(5) The assessor shall in the premises have full power and authority to examine witnesses, to inspect or require the production of books or papers, to obtain and consider any evidence other than that contained in said statement that he may deem material or necessary. The assessor shall visit and inspect the property whenever practicable, inform himself as to the value of the same, obtain all necessary or material evidence of the property, and of the shares of stock and of the bonded debt, either from the statement required in this act or from such other

sources as he may deem proper or necessary; the gross receipts of the business for each of the last two years, and the net receipts for the same period, exclusive of amount paid for interest on bonded debt or dividends on stock.

SECTION 22. *Be it further enacted*, That—

(1) All persons, copartners, and joint stock companies engaged in the manufacture of any goods, wares, merchandise, or other articles of value, shall pay an ad valorem tax upon the actual cash value of the property—real, personal, or mixed—which is used and held for the purpose of manufacturing, preparing, completing, and finishing goods, wares, and merchandise, and the article in the manufacture of which the parties aforesaid shall be engaged; *provided*, the value of articles manufactured from the produce of the state in the hands of the manufacturer shall be deducted in assessing the property.

(2) Each manufacturing corporation, either foreign or domestic, shall pay an ad valorem tax upon the actual cash value of its capital stock or corporate property, including its franchises, easements, incorporeal rights, and privileges, and all other corporate property, which said value shall not be less than the actual cash value of both its shares of stock and its bonded debt, and which said value shall be computed by looking to and considering the market value; and if no market value, the actual value of such stocks and bonds; *provided*, that the assessed value of the corporate realty and tangible personal property otherwise assessed, and, in the case of manufacturers, the value of the articles manufactured from the produce of the state in the hands of the manufacturers, shall, in making the assessment, be deducted from the value of the capital stock or corporate property.

(3) Real estate and tangible personal property of any corporation defined in this section shall be assessed in the same mode and manner and where situate as other real estate and tangible personalty. In computing the value of and assessing corporate property or capital stock under this section, the assessed value of real estate and tangible personalty, and, in the case of manufacturers, the actual cash value of articles manufactured from the produce of the state in the hands of the manufacturer, shall be deducted from the aggregate actual cash value of the corporate property or capital stock, and the remainder shall constitute the value upon which the assessment shall be based.

(4) The value of the capital stock or corporate property as used in this section shall be construed as including all tangible and intangible or franchise values.

(5) For the purpose of assessing property defined in this section, the assessor shall require the owner, operator, business partner, president, or other official in charge of or operating the business, to fill out and furnish to the assessor, under oath and in writing, an assessment schedule (to be returned by the assessor to the commission for preservation), which schedule shall contain such questions and be in such form as the commission shall promulgate.

(6) The assessment and taxation of corporate property provided for in this section shall be in lieu of any assessment of and tax upon the shares of stock of any corporation so assessed and taxed to the individual owners thereof.

SECTION 23. *Be it further enacted*, That—

(1) When any corporation, foreign or domestic, defined in sections 21 and 22 of this act, owns property in this and another state, or in more than one county in this state, or in more than one civil district in any county, the capital stock or incorporated property of the corpo-

ration shall, except as hereinafter provided in this section as to foreign corporations, be assessed in the county or place or civil district fixed in its charter for the meeting of its stockholders; and in case such place of meeting is not fixed in its charter, then in the county or place or civil district where the principal office or place of business of the corporation is located, which said assessment shall be made in the following manner—viz.:

The assessor shall compute the value of the capital stock or corporate property at not less than its aggregate actual cash value, and deduct therefrom the assessed value of all real estate and tangible personal property in the state, and the actual cash value of all property situated in and which has acquired a permanent situs in other states, as hereinbefore set out, wherever the same may be situate, and the remainder shall constitute the assessable value of the corporate property or capital stock at the place of assessment. Tangible personal property and realty of such corporation shall be assessed at the place or in the district where the same is situate at the time of the assessments and by the proper authority at that place designated by law. The assessed value of such realty and tangible personalty shall be verified by a properly certified copy from the assessment rolls or lists, which said certified copy shall accompany the statement hereinbefore required and be likewise returned by the assessor to the commission for preservation.

(2) Foreign corporations mentioned in sections 21 and 22 having branch factories or business in this state shall only be assessed on the actual cash value of the corporate property in this state; *provided, however*, the franchise and intangible property of the corporation in this state shall be included in the valuation of the corporate property in the state.

SECTION 24. *Be it further enacted*, That—

(1) The shares of stock of stockholders of any bank or banking association, savings bank, or building and loan or loan company, or investment company, or insurance company, or cemetery company, or any company or incorporation (other than such as are defined and assessable under sections 21 and 22 of this act) doing business in this state, whether domestic or foreign, shall be assessed and taxed for state, county, and municipal purposes as the personal property of the stockholders, whether they reside within or without the State of Tennessee; *provided, however*, the assessment of such shares of stock as the property of the stockholders shall be in lieu of any assessment or taxation of the capital stock or corporate property of such corporation, company, or association. Shares of stock assessable under this section shall be assessed at not less than the actual cash value of the same, less the assessed value of realty and tangible property, which said actual cash value of shares of stock shall be computed by looking to and considering the market value; and if no market value, the actual value of the shares of stock, or from any other evidence of the value of the same.

(2) Real estate and tangible personalty of any corporation, company, or association defined in this section shall be assessed in the same mode and manner and where situate as other real estate and tangible personalty.

(3) But in computing the assessable value of such shares of stock, the assessed value of the realty and tangible personalty shall be deducted from the value of the shares of stock, and the remaining value constitute the value upon which the assessment shall be made.

(4) Assessments of shares of stock under this section shall be made

at the place, ward, or district of the town or county in which the corporation, association, or company is located.

(5) The president or business manager of any corporation, association, or company defined in this section of this act is hereby required to fill out and furnish, upon oath, to the assessor an assessment schedule in writing, to be filed with the commission for preservation, which schedule shall contain such questions and be in such form as the commission shall promulgate.

(6) The commission or the assessor shall have full power to summon witnesses, to inspect or require the production of books and papers, and to obtain and consider any evidence other than said statement which they may deem proper or necessary.

(7) For the purpose of this act and for taxation, when the capital is not divided into shares of stock, each one hundred dollars of the capital invested shall be held as one individual share, and such shares are defined and declared to be personal property assessable at the actual cash value of same.

(8) If the president or business manager has a partner or partners, he shall, upon his oath, furnish to the assessor in writing the number of shares, ascertained as above provided, held or owned by such partner or partners in the business, which shares so held shall be assessed where the business is located, as hereinbefore indicated.

(9) There shall be kept at all times in the office where the business of such bank or banking association or other corporation included in the provisions of this section and organized under the authority of this state or of the United States shall be transacted a full and correct list of the names and residences of the stockholders therein and the number of shares held by each, and such list shall be subject to the inspection of the commission and the officers authorized to assess taxes during the business hours of each day on which business may be legally transacted.

(10) When the owner of stock in any bank or banking association or other corporation included in the provisions of this section, organized under the laws of this state or the United States, shall not reside in the same county where the bank or corporation or association is located, or is a nonresident of this state, the revenue collector for the state or county or municipality shall, respectively, have the power to collect the tax assessed by this act by instituting attachment proceedings, and said tax shall be and remain a prior lien on the stock until the payment of the same.

(11) For the purpose of collecting such taxes, and in addition to any other laws of this state relative to the imposition and collection of taxes, it shall be the duty of such corporation to pay the taxes due upon such stock, regardless of any dividend or earnings belonging to such stockholder, a prior lien being hereby declared on all such stock on and after the tenth day of January of each year, and the said corporation being hereby subrogated to such prior lien for the purpose of enforcing repayment of any taxes that may be so paid for the account of any such stockholder.

(12) If the taxes on such shares shall not be paid by such corporation, then the state, county, or municipality may, after such tax may have become delinquent, proceed to collect the same by attachment on said shares of stock in any court of competent jurisdiction through counsel to be employed for that purpose.

SECTION 25. *Be it further enacted*, That this act shall not be so construed, and shall not so operate, as to exonerate and release from taxation any company or corporation whose charter exempts stock and

shares thereof from taxation; but it is hereby enacted that in all cases where such stock is exempted, such company or corporation shall be assessed in such way as may be lawful; and in all cases in which, by the terms or legal effect of the charter, the shares of stock in any corporation are wholly or partially exempt from taxation, or in which a rate of taxation on the shares of the stock is fixed and prescribed and declared to be in lieu of all other taxes for state, county, and municipal purposes, there shall be assessed and levied a tax, at a rate uniform with the rate levied upon other taxable property, upon the capital stock of said corporation, the value of which capital stock shall be fixed and returned to the assessor as being equal to the aggregate and, not less than the actual cash value of all shares of stock in said corporation, including the net surplus; *provided, however*, that where the state has provided in the charter of any such corporation or company that it shall pay a stated per centum on each share of stock subscribed annually to the state, which shall be in lieu of all other taxes, it shall be entitled annually to a credit therefor upon its assessment of its capital stock as hereinbefore provided.

SECTION 26. *Be it further enacted*, That—

(1) Merchants shall pay an ad valorem tax upon the capital invested in their business equal to that levied on taxable property.

(2) The term "merchant," as used in this act, includes all persons, copartnerships, or corporations engaged in trading or dealing in any kind of goods, wares, merchandise, either on land or in steamboats, wharf boats, or other craft stationed or plying in the waters of this state, and confectioners, whether such goods, wares, or merchandise be kept on hand for sale or the same be purchased and delivered for profit as ordered.

(3) Persons, firms, companies, or corporations engaged in the business of merchandising other than such as are embraced in subsequent subdivisions of this section shall be taxed as herein set out. Such persons, firms, companies, or corporations shall, at the expiration of the period of the bond provided for in this act, file with the clerk of the county court of the county a statement, under oath, showing the amount of capital invested in business to be assessed for taxation; but under no circumstances shall the amount to be assessed be less than the value of the average amount of stock on hand during the preceding year, to be ascertained by adding together the value of the highest amount of stock on hand at any time during said year with the value of the lowest amount of stock on hand at any other time during said year and dividing the same by two, and adding thereto the actual cash value of all the movable fixtures and office furniture where same belong to and are the property of said merchants; said statement to be sworn to by such merchant, person, or the head of such firm, company, or corporation, in which he shall state that he has not reduced his stock for the purpose of escaping taxation at any time, and has fully, truly, and correctly, without evasion or reservation, made return as required by law; and said average amount of stock as sworn to by said merchant, person, firm, company, or corporation shall be deemed the taxable value of the capital of such merchant, person, firm, company, or corporation, upon which he shall pay to the county court clerk the same tax as levied upon real estate and other property for state, county, and municipal purposes. The word "capital," as used in this subdivision, shall be construed so as to mean the average amount of stock on hand during the year in which it is offered for sale, the amount to be ascertained as provided in this section; but if the average stock on hand is less

than the capital stock employed by said merchant, firm, or corporation, he shall pay a tax on the capital stock.

(4) All capital employed during the preceding twelve months in any manner of trading in which there is no stock of goods, wares, and merchandise kept on hand for sale and the aggregate capital reported shall be deemed the taxable capital of such merchant or factor, upon which he shall pay the same tax as levied upon real estate and other property for state, county, and municipal purposes; and the report herein required shall be sworn to by such merchant or person or the head of such copartnership, mercantile firm, company, or corporation.

The person, firm, company, or corporation engaged in such business shall, at the expiration of the period covered by the bond provided for in this act, file with the clerk of the county court a statement, giving the aggregate amount of capital employed during such period, verified by an oath that said statement, without evasion or reservation, correctly, fully, and truly shows the aggregate amount of capital of every kind and character employed during such period, which shall be forwarded to the commission by such clerk for approval, and pending which approval said tax shall not be collected.

(5) If, in any case, the statements required herein to be made to the clerk of the county court should for any reason be considered as unjust, incorrect, or inadequate, either by the clerk of the county court or his deputy, or by the district attorney, or by the commission, it shall be the duty of such clerk or his deputy, on his own motion or by direction of such district attorney or the commission, to issue a citation to the person, firm, company, or corporation returning the statement to appear before such clerk on a day not less than five days from the date of the issuance of the citation and show cause why such statement shall not be revised and corrected. The clerk of the county court and his deputy shall, in the premises, have full power and authority to issue subpœnas, to send for and examine witnesses, to administer oaths, to send for and examine books; and it shall be the duty of the clerk upon such investigation to correct, revise, and audit such statement and fix the amount of taxes for which the party or parties may be liable. It shall be the duty of such clerk also in such cases to inquire into and ascertain the amount of insurance upon the property during the time covered by said bond.

SECTION 27. *Be it further enacted*, That—

(1) No merchant, firm, company, copartnership, corporation, agent, or trader shall commence or continue a business declared to be a privilege under this act or revenue act in any county of this state without obtaining license from the clerk of the county court of such county in accordance with the previous provisions of this act; and every person, individual, or member of any copartnership or corporation so offending shall be subject to prosecution for each day's violation of this law, and, on conviction, shall be fined not less than ten dollars for each offense.

(2) Said license is hereby required to show all the state and county revenue paid, the name or names of the party or firm or corporation or company.

(3) Said license is further required to be registered in the office of the clerk of the circuit court in a book kept by him for that purpose, showing in full the date of issuance, name or names of the party or parties to whom issued, the character of the business, and the amount of state and county tax paid, and to be countersigned by the clerk of the circuit court or his deputy, which countersigning shall be after the license is issued by the county court clerk.

(4) For registering and countersigning said license and for making a quarterly report of the same to the state comptroller and chairman of the county court, to be accompanied with his revenue reports, the clerk of the circuit court shall receive the sum of fifty cents for each license, to be paid by the party or parties to whom said license is issued.

(5) Said license shall not be considered valid, nor shall it be delivered by the county court clerk, until the provisions of this act have been complied with; and each violation of the provisions of this act on the part of the county or circuit court clerk is hereby declared a misdemeanor.

(6) It is also declared a misdemeanor for any person, except the circuit court clerk or his legally qualified deputy, to sign the name of the circuit court clerk to said license; and, upon conviction, the offender shall be fined not less than ten dollars nor more than twenty-five dollars for each offense.

(7) Every merchant, firm, company, person, corporation, agent, or trader applying for license shall, before receiving the same, execute a bond to the state, with good security, to be approved by the clerk of the county court, in the sum of five hundred dollars, conditioned that said merchant, firm, company, person, corporation, agent, or trader will render to the clerk issuing the license, at the end of twelve months from date of the bond (or if the merchant ceases to do business before the expiration of the twelve months, then as soon as he ceases to do business), a true statement under oath as prescribed by this act, and will pay all taxes, fines, and penalties provided by law; *provided*, that five days before the expiration of said bond the clerk shall give the party, parties, firm, corporation, agents, or trader notice of the date of expiration.

(8) For taking the bond and issuing the license and recording the same and all other work connected therewith the clerk shall be entitled to one dollar, to be paid at the time of issuance.

(9) Any merchant, person, firm, company, corporation, agent, or trader continuing in business shall renew his license annually.

(10) No license shall authorize merchandising out of the county where issued, nor for a period longer than for one year, nor for a shorter period than three months.

(11) It shall be lawful for clerks of the various county courts in the state to issue license by the quarter for the exercise of any privilege under the laws of this state.

(12) But should any person, firm, corporation, agent, or trader, having paid in advance for such license, sell, transfer, or dispose of such business before the expiration of such license, the license shall be transferable, and the person purchasing shall have full authority to continue said business until the expiration of said license; *provided*, the same bond shall be given as hereinbefore required in subdivision 7 of this section to account for his proportion of the ad valorem tax.

(13) No person, firm, company, copartnership, corporation, agent, or trader exercising a taxable business where the stock of goods, wares, and merchandise is carried shall sell or transfer said business as an entirety until all state and municipal and county taxes due thereon shall be first paid; and in case any person, firm, company, copartnership, corporation, agent, or trader exercising such business shall make an assignment, general or partial, for the benefit of creditors, it shall be the duty of the assignee first to pay in full out of the first assets that come into his hands all taxes that may be due upon such business, which shall be a prior lien in preference to all other claims.

SECTION 28. *Be it further enacted*, That—

(1) The county court clerks are hereby required to turn over to the county attorney, or if no county attorney, then to an attorney to be selected by the county judge or chairman of the county court, all privilege and license bonds due and unpaid within thirty days after said bonds become due and payable, taking duplicate receipts for the same, specifying the amount due thereon as nearly as can be ascertained, one of which receipts shall be forwarded to the comptroller of the state and the other spread on record in the county court.

(2) Whereupon the said attorney or clerk of the county court shall forthwith give five days' notice to the principal and surety on such bonds to appear before the chairman or judge of the county court in which such bond is due and show cause, if they have any, why judgment should not be rendered against them for the amount of revenue due on such bonds, which judgment shall in no case be less than the amount of the ad valorem and privilege tax fixed by law and by the county court, with six per centum interest and a penalty of one per centum for each day such revenue is delinquent after thirty days from the date of said notice, and an attorney's fee of five dollars on each bond.

(3) Jurisdiction is hereby conferred on the county courts of this state to try and determine such cases, to render judgment, issue execution, and do all things necessary to enforce the collection of this revenue and necessary to the enforcement of this act.

(4) The notice so given may be returnable to any Monday of said county court to the judge or chairman thereof, provided that five days' notice is given, when the judge or chairman shall try the matter.

(5) Upon failure of the principal or security to appear, the attorney or clerk shall move for judgment; and the chairman or judge shall render and have entered a judgment for the amount of said taxes, interest, penalties, as aforesaid, with costs.

(6) The said clerk shall be allowed the usual fees for such services as in the circuit courts of the state.

(7) The state, county, and municipality shall in no event pay any cost in these proceedings, but the same shall be taxed against delinquents.

(8) Such suits shall not interfere with the right of the clerk at any time to issue a distress warrant to collect such taxes, if in his judgment property can be found on which to levy same.

SECTION 29. *Be it further enacted*, That the clerks of the county courts of the several counties of this state shall collect all taxes on merchants, persons, companies, firms, corporations, agents, or traders, and all privileges as now provided by law, and shall be subject to all the fines and penalties for failure to pay such taxes over to the comptroller, county trustee, and municipal authorities that are provided for in this act in cases of trustees.

SECTION 30. *Be it further enacted*, That any property or properties included in this act shall be back assessed or reassessed for the period now provided by law—viz.:

(1) When the same have been omitted or escaped taxation.

(2) But in no case shall the back assessment or reassessment of real estate constitute a lien on the real estate which has by bona fide sale passed into the hands of innocent purchasers, but shall be a liability against the person owning same at the time of the inadequate assessment; *provided, however*, the burden of proving a bona fide sale shall be upon the person owning such real estate at the time of such back assessment or reassessment; *provided*, this shall not apply to property that has wholly escaped taxation.

(3) When the owner or agent has falsely and knowingly or fraudulently scheduled his property for taxation.

(4) *Provided, however,* that no property shall be back assessed or reassessed when the owner thereof has at the proper time required by law paid the taxes as assessed against said property and received a proper receipt therefor; but all property covered by this act shall be subject to reassessment and back assessment, as herein provided, in the manner hereinafter provided, at any time before the owner thereof has paid all taxes, interest, penalties, and dues thereon; and the owner of said property may prevent a back assessment or reassessment of his property by paying all taxes, interest, and penalties, as provided by law, up to and before any notice is served on him of a motion or proceeding to reassess or back assess said property.

(5) Whenever it is within his knowledge or he has reason to suspect in his county that any property has, in violation of the foregoing subdivisions of this section, as above described, been assessed by any assessor or computed by any board of equalization at less than its actual cash value, it shall become the duty of the revenue collector, of any district attorney, of any attorney of the county, of the county judge or chairman of the county court, of the county court clerk, of any circuit, chancery, or criminal court clerk, of any sheriff, of any assessor, and of any citizen of the county to cause or have the county court clerk, in the case of merchants' taxes, delinquent privilege taxes, and the county trustee in case of other taxes covered by this act, to have issued the citation hereinafter set out for the purpose of back assessing or reassessing such property. At the request of or upon the information or motion of any citizen or taxpayer of the state or of any of the officers above named, it shall be the duty of the county court clerk, in case of merchants' taxes and delinquent privilege taxes, and the trustee in the case of other taxes covered by this act, to issue, for the purpose of back assessing or reassessing property, the citation hereafter set out. The county court clerk, in case of merchants' taxes and delinquent privilege taxes, and the trustee in case of other taxes covered by this act, upon the motion or information or at the request of any citizen or taxpayer of the state or of any of the officials before designated, or when the same is within the knowledge of or suspected by the county court clerk or trustee, shall issue, as to any property assessed or valued in violation of this act at less than the actual cash value of the same, a citation to be served by any officer of the county or any district thereof upon the owner of the property or his agent or representative or attorney, summoning him to appear before such clerk or trustee at his office, giving not less than five days' notice from the date of the issuance of the citation, and show cause, if any, why said property should not be back assessed or reassessed at its actual cash value. The form of citation shall be substantially as follows:

"State of Tennessee, ———— County.

"To ————, at ————, Tennessee:

"Proper motion having been made before me by ———— or ————, revenue collector for the state under section ——, chapter ——, of the Acts of Tennessee, 19——, you are hereby cited to appear before ————, trustee, or county court clerk, ———— County, Tennessee, at my office in the courthouse in ————, Tennessee, on the ———— day of ————, 19——, at ———— o'clock ——M., for the purpose of being back assessed or reassessed for the years ———— upon omitted or inadequately assessed property in the said county and state, and show cause, if you have any, why said property should not be back assessed or reassessed at its actual cash value.

"Trustee or County Court Clerk, ———— County, Tennessee.
"Issued at office, this ———— day of ————, 19——."

(6) The officials herein named as having power to back assess or reassess property are vested with full authority to administer oaths, send for and examine witnesses, and take such steps as may be deemed necessary or material to obtain information and evidence as to the value of the property. Said witnesses, when properly summoned, shall be amenable to existing laws for nonattendance or failure to give evidence which is in their knowledge. Said officials herein vested with the power to back assess or reassess property shall have full authority in proceedings to back assess or reassess such property, to make proper, correct, and adequate assessment of the same at its actual cash value, which, when entered upon the tax book or filed in writing with the authorized collecting authority, shall become a final and valid assessment of the property and collectable as such as fully and amply as if originally entered upon the assessment roll; and said assessment, when made by said official authorized to make same, shall have the force and effect of a judgment against the person liable for the taxes for the year for which said assessment is made. Should it appear that any property has been assessed at less than its actual cash value in violation or in disregard of the provisions of this act, the official back assessing or reassessing the same shall add to the assessment a penalty of fifteen per centum upon the amount of the added tax and the cost of the proceeding, which said penalty and costs shall become a part of the taxes and collectable as such. There shall also be added to said tax all penalties and costs lawfully attaching to said tax, treating same as delinquent from the date when said tax was due and payable, if assessed as required by law. If the proceeding is determined in favor of the owner of the property, the cost shall be paid by the county.

(7) It shall be the duty of the clerks of the county courts to examine and compare the assessment rolls of the county with the inventories or reports of administrators and executors as soon as filed with the county court clerk, for the purpose of ascertaining whether any personal property of any estate is subject under this act to back assessment or reassessment. In case such examination shall show any personalty subject to such back assessment or reassessment, the clerk of the county court shall report the same to the county trustee, who shall back assess or reassess the same under the provisions of this act, and add thereto the penalty heretofore designated.

(8) In case the county court clerk or county trustee shall fail or refuse to perform the duty herein imposed, such clerk or trustee shall become liable on his official bond for the amount of taxes which might have been recovered had said duty been properly performed, together with the penalty of fifteen per centum added thereto, said liability and penalty to be recovered in any court of record or before any justice of the peace at the instance of any revenue collector or district attorney or commission, or by suit or by motion on five days' notice in the chancery or circuit court, or before any justice of the peace of the county.

(9) Any property owner dissatisfied with any assessment or back assessment made by any trustee or county court clerk under the provisions of this section may appeal directly to the commission, and, upon said appeal, the said commission shall have the same jurisdiction to hear and determine said cause as if the case had been brought before said commission originally as herein provided.

SECTION 31. *Be it further enacted,* That the assessed taxes on all real estate, personalty, railroad, telegraph, and telephone companies, and all damages and costs accruing thereon, shall be and remain a first lien

upon such property from the tenth day of January of each and every year for the taxes of that year; and said taxes shall be a lien upon the fee in said property, and not merely upon the interest of the person to whom said property is or ought to be assessed, but to any and all other interests in said property, whether in reversion or remainder or of lienors, or of any nature whatever; and the whole proceeding for collection of taxes from the assessment to sale for delinquency shall be a proceeding in rem, and shall not be invalid on account of such land having been listed or assessed for taxation to any one as owner or owners or to any person or persons not the owner or owners or to unknown owner or owners; *provided, however*, that where there is assessable under this act a leasehold interest in real estate or any improvements on real estate, which said real estate is exempt from taxation in the hands of and to the owner thereof, the taxes assessed against such leasehold interest or interest in improvements on such exempt real estate shall be a lien only upon such leasehold interest or interest in improvements, and not upon the interest of the owner of the fee or the remainder or reversion of the fee.

SECTION 32. *Be it further enacted*, That—

(1) The commission, from ten names each submitted by each county judge or chairman of a county court and by the mayor of the largest municipality within each county, where there is such municipality, or of its own selection, provided no list is furnished, shall appoint in each county three freeholders and taxpayers, each of whom shall have been a citizen of the county for not less than six years—*provided*, that justices of the peace or other county or city officers shall be ineligible to appointment on said board—who shall constitute a board of equalization invested with the powers and duties of equalizing assessments and computing values for taxation as hereafter prescribed.

(2) Said county board of equalization shall, the first Monday in September of each year, meet and sit in regular session as necessity may require until the equalization has been completed, but not to sit longer than six days in counties having a population of 10,000 or under by the federal census of 1910 or any subsequent federal census, and ten days in counties having a population of over 10,000 and under 20,000 by the federal census of 1910 or any subsequent federal census, and fifteen days in counties having a population of over 20,000 and under 35,000, and twenty-five days in counties having a population of over 35,000, the last federal census to govern; but the commission may extend the time if in its judgment the public welfare shall require it, but not beyond the time hereinafter provided for a return of assessment to the commission.

(3) Each board of equalization shall elect one of its members chairman and one secretary of the board, and a majority of the board shall constitute a quorum for the transaction of business. Said board shall keep a daily record of its transactions and sign the same, and its members shall be paid by the county a compensation for their services not to exceed five dollars per day.

(4) The assessor shall, at the first day's session of the board, deliver the county assessment lists or rolls to said board for its consideration.

(5) Upon the completion of the duties of the board, the records and papers of the board shall be turned over by the board to the assessor of the county for preservation, together with the assessment lists.

(6) It shall be the duty of the board of equalization in each county carefully to examine, compare, and equalize the county assessments; to eliminate from its lists property exempt from taxation; to hear any just complaints of any party or parties feeling aggrieved on account

of excessive assessment of property, and if, in their judgment, the property is assessed at more than its actual cash value, it shall be reduced to the actual cash value of the same; to correct any and all errors arising from clerical mistakes or otherwise that may come or be brought to the attention of the board, and the corrections made, if any, shall be entered upon the assessment books, without in any way altering the assessment lists. Said board shall have the power, and it is hereby made its duty, to increase or lower the entire assessment roll or any assessment contained therein so as to equalize the assessment of all property contained therein, and make such assessment conform to the actual cash value of the property described in the assessment. If the property described in said assessment lists, or any part thereof, shall have been assessed at less than the actual cash value thereof, the value of the same shall be increased so as to conform to the actual cash value thereof; or if any property designated in said assessment lists shall have been assessed at more than the actual cash value thereof, the same shall be reduced so as to conform to the actual cash value thereof, it being the intention of this act that the board of equalization shall equalize and compute the value of all the property in the county upon the standard of the actual cash value thereof.

(7) No assessment shall be increased by the board of equalization until the property owner or owners affected by said increase shall have been notified and given an opportunity to be heard either by letter or publication in a newspaper published in the county.

(8) The board may examine any person or persons as witnesses, and hear any proof that may be offered by any taxpayer in or about any question touching the value of any property or of property described in the assessment roll. Said board shall have the power and authority to send for persons and papers, to examine and enforce the attendance of witnesses, and obtain any evidence or information that may be deemed material in the performance of its duties. Each member of the board shall have the power to administer an oath, and any person who shall wilfully or corruptly swear falsely to any material fact before said board shall be guilty of perjury and indictable for such offense.

(9) Any owner of property liable for taxation in the state shall have the right, in person or by his agent, to make complaint before said board that other property or properties in the county have been assessed at less than the actual cash value thereof. Upon such complaint being made before the board, it may hear any evidence or witness offered by the complainant, or may take such steps as it may deem material to the investigation of the complaint, and pass upon the question justly and equitably according to the standard herein established of an actual cash valuation of property. The board may inquire as to the valuation of the various classes of property in the respective districts and wards of the county, and make such changes by way of increase or decrease in the valuation as may be necessary to equalize the same as between the districts and wards, and to determine the rate per centum of increase or decrease to be added or deducted in order to make a just and equitable equalization in the respective districts and wards, so as to conform throughout the county to a just and equitable standard, which standard in such case shall not be less than the actual cash value of the property.

(10) The board of equalization shall make out and transmit to the commission a summary, showing the number and value of acres assessed, the number and value of town lots and improvements thereon, the value of personal property (both tangible and intangible) assessed, the number of polls assessed, and also a brief summary of all the testi-

mony taken before the board in regard to the equalization of property or such matter as the commission may require.

(11) It shall be the duty of the said board to bring before it the assessor and each deputy of the county and propound to them such questions as are in the opinion of the board proper to ascertain the manner in which assessors arrived at the value of the property assessed by them, and such questions as will aid said board in the equalization of values.

(12) When the board of equalization shall have determined the matters of equalization and values before it and within its jurisdiction, such action shall be final, except in so far as the same may be revised or changed by the commission.

(13) Upon returning the assessment rolls of the county to the assessor, the said board of equalization shall append to or indorse upon the same a certificate signed by each member—viz.:

"We, the undersigned members of the board of equalization of the county of ————————, do hereby officially certify that we have equalized, computed, and fixed the values of all properties set out in the assessment rolls of said county upon the standard of the actual cash value of the same by raising the values of all properties assessed at less than the actual cash value thereof to the actual cash value of the same, or by reducing the values of all properties assessed at a greater than the actual cash value thereof to the actual cash value of the same, and otherwise faithfully and honestly obeyed the requirements of the assessment laws of the state and kept our oaths of office.

"Witness our hands, this ———— day of ————————."

(14) Each member of the county board of equalization, before entering upon the discharge of the duties of his office, shall, before the judge or chairman of the county court, take and subscribe to the following oath, to be filed with the clerk of the county court—viz.:

"State of Tennessee, ———————— County.

"I, ————————, member of the board of equalization of said county, do hereby solemnly swear (or affirm) that I will, without fear, favor, or affection, perform the duties required of me by my oath of office and the laws of the state; that I will carefully examine, compare, and equalize all assessment lists and values of property in said county designated in the assessment rolls, and equalize, fix, and compute the value of all such properties upon the standard of an actual cash valuation, as directed by the laws of the state, by raising the value of all properties assessed at less than the actual cash value of the same to the actual cash value thereof, and by reducing the values of all properties assessed at greater than the actual cash value of the same to the actual cash value thereof, and in all respects faithfully, honestly, and impartially do and perform each and every duty imposed upon me as a member of said board by the laws of the state.

"Sworn to before me this, the ———— day of ————————."

(15) On request of the commission, the clerk of the county court shall make certified copies of said oaths and forward to it the same.

(16) It shall be unlawful for any member of a board of equalization to enter upon or undertake to discharge the duties of his office without having taken the oath hereinbefore provided.

(17) It shall be unlawful for any board of equalization, or any member thereof, to fail, refuse, or neglect to prepare and promptly forward to the commission a comparative tabulated statement (or certified copy thereof), to be taken from the assessment list as hereinbefore provided.

(18) It shall be the duty of the members of the board of equalization, when it is known to or reasonably suspected by any one of them that any assessor or deputy has knowingly, wilfully, or negligently as-

sessed any property at less than the actual cash value of same, to report the same to the district attorney and commission, whose duty it shall be, upon receiving such information, to institute proceedings against the assessor upon his bond to recover the penalty hereinafter prescribed.

(19) It is hereby declared unlawful for any board of equalization, or any member thereof, wilfully, knowingly, or negligently to compute, fix, or equalize the value of any property at less than its actual cash value.

(20) If in equalizing the properties it shall come to the knowledge of the commission, or should it have reasonable grounds to believe such is the case, that any board of equalization, or any member thereof, has violated this provision, it shall be the duty of said commission immediately to notify the district attorney of the district in which the offense is committed to institute proceedings to recover the penalty hereinafter prescribed, which said direction shall be complied with by such district attorney.

(21) It shall be the duty of the board of equalization to investigate as to whether assessors or deputies have made and transmitted to the district attorney a list of the taxpayers who have failed or refused to take the oath or affirmation required by law to tax schedules, or who have refused, neglected, or failed to return tax schedules as required by law; and if the assessor has failed to perform this duty, then said board shall report the same to the district attorney and to the commission, whose duty it shall then be to institute proceedings against the assessor for the penalty herein prescribed; and, in case of such a failure on the part of the assessor, it shall be the duty of the commission to prepare and transmit to the district attorney a list of the taxpayers who shall have failed to perform the requirements of this act hereinbefore set out, and thereupon such district attorney shall ex officio prosecute the delinquents; and it shall be unlawful for the board of equalization and the members thereof to fail, refuse, or neglect to perform this duty before the completion of their duties of equalization.

(22) It shall be unlawful for the members of any board of equalization to fail, refuse, or neglect to report and transmit to a district attorney and to the commission such answers of assessors or deputy assessors, elsewhere required in this act, as show or indicate they have assessed any property at less than the actual cash value of the same.

(23) It shall be unlawful and a misdemeanor for any judge or chairman of the county court or clerk of the county court or county register to fail, refuse, or neglect to do and perform any duty imposed by this act with regard to returning or forwarding statements to the commission as provided for in this act, and, upon conviction, the offender shall be fined not less than fifty dollars and not more than one hundred dollars.

(24) The books prepared for the use of the assessor shall have two additional columns after the total valuation column for the purpose of showing the action, if any, of the board of equalization on assessments, one of which shall show the increase and the other the decrease in valuation made by said board. These two columns shall be added to get the total increase and decrease in the district.

(25) The assessor shall, within ten days after the board of equalization adjourns, make out a tabulated statement by districts and wards, showing the number of acres assessed and value, the number of lots assessed and assessed value, the value of personalty assessed, the total value of all property, and the total increase and decrease made by the board of equalization in each district, and such information as the com-

mission may require, and shall forward said statement to the commission by registered mail.

SECTION 33. *Be it further enacted*, That—

(1) Each assessor or deputy or member of a board of equalization who violates, neglects, or fails or refuses to comply with any of the provisions of this act, unless the same is otherwise expressly made punishable as a misdemeanor, shall pay and forfeit to the State of Tennessee the sum of not less than fifty dollars nor more than one hundred dollars for each offense, which penalty shall be recovered of the offender and his sureties on his bond in the case of assessors and deputies and of the members of the board of equalization personally, in any court of record in the county or before any justice of the peace of the county, by motion on five days' notice or by suit instituted for the purpose.

(2) It shall be the duty of each district attorney and county judge or chairman of the county court, when it comes to his knowledge or he has reasonable grounds to believe that the provisions of this act have been violated, to institute proceedings by such motion or suit to recover the penalties prescribed by this act.

SECTION 34. *Be it further enacted*, That it shall be unlawful for any assessor or deputy or any member of any board of equalization to draw or receive any compensation for services, or for any county judge or chairman to issue any warrant for the same, until such payment shall be approved by the commission.

SECTION 35. *Be it further enacted*, That any judge or chairman of a county court or clerk of the county court or district attorney who fails, neglects, or refuses to obey and observe the requirements imposed upon him by this act shall be guilty of a misdemeanor, and, upon conviction, shall be fined not less than fifty dollars nor more than one hundred dollars.

SECTION 36. *Be it further enacted*, That the clerk of each county shall, in a well-bound book, which the county shall furnish at its expense, keep and preserve the said oaths prescribed by this act to be taken by assessors, deputies, and members of boards of equalization, to be forwarded to the commission.

SECTION 37. *Be it further enacted*, That—

(1) The Governor shall appoint three tax commissioners, who shall constitute the "Tennessee Tax Commission," herein referred to as the commission. One commissioner shall be appointed from each grand division of the state. No person shall be eligible to the position of commissioner unless he is thirty years of age and a freeholder and unless he has been a resident of this state for five years next preceding his appointment.

(2) The commissioners first appointed shall be designated by the Governor to hold office, respectively, for terms of two, four, and six years from April tenth, nineteen hundred and fifteen. The term of each commissioner thereafter appointed shall be for six years from the expiration of the term of his predecessor; *provided*, that in the case of a vacancy due to any cause other than the expiration of a term, the appointment shall be for the unexpired term. Each commissioner shall continue to hold office until his successor qualifies.

(3) The commissioner appointed for the term of six years shall, during the full term of his appointment, be chairman of the commis-

sion, and thereafter the commission shall elect one of the commissioners chairman.

(4) The Governor may, for cause, remove a member of the commission. Before so doing, he must give such commissioner a hearing, and, on removal, must give him a statement in writing of all the causes thereof, and a copy of such statement shall be filed with the secretary of state and shall be a public record.

(5) Each commissioner shall devote his entire time to the duties of his office, and shall not serve on or under any committee of any political party or organization.

(6) The chairman of the commission shall receive an annual compensation of forty-five hundred dollars, and each of the other two commissioners four thousand dollars, payable monthly.

(7) The commission shall maintain an office and hold its regular sessions in Nashville. At the first session of said commission it shall elect a secretary, who shall receive an annual compensation of fifteen hundred dollars, payable monthly, and who shall hold his position during the pleasure of the commission.

(8) A majority of said commission shall constitute a quorum for the transaction of business. Minutes of each day's session of the commission shall be kept and signed by its members. The records of the commission shall be kept by the secretary for preservation. All of the proceedings of the commission shall be shown on its record of proceedings, which shall be a public record; and all voting shall be by calling each commissioner's name by the secretary, and each commissioner's vote shall be recorded on the record of proceedings in each case. The commission may employ a stenographer at an annual salary not exceeding nine hundred dollars, payable monthly, and such other help as it may require in performing the duties imposed upon it by law.

(9) It shall be the duty of the commissioners, before entering into the discharge of their duties as such, to take and subscribe to an oath that they will fairly and impartially perform the duties imposed upon them by this act, and equalize, fix, and compute the values of all properties in the state so that the value thereof shall conform to the standard of the actual cash value of the same. Said oath shall be taken before some person authorized by law to administer oaths, and be filed in the office of the secretary of state for preservation. They shall also, before entering into the discharge of their duties, each give bond, with two or more sureties, in the sum of ten thousand dollars, payable to the State of Tennessee, conditioned upon the faithful discharge of their official duties. Upon taking and filing said oaths and giving said bonds, said officials shall at once become and constitute the Tennessee Tax Commission as hereby provided, with the power and authority to hold meetings and perform the duties herein conferred upon them as tax commissioners and as members of the commission.

(10) The commission is hereby vested with the power to make such rules and regulations and prepare such forms as it may deem proper for its use and government or for the use and government of the boards of equalization and assessors of the counties, or to obtain any evidence, information, and statistics relating to the value and condition of property to be equalized, or for any other purpose that it may deem material or useful; to regulate and prescribe the mode of taking evidence, whether by affidavit or otherwise; to send for papers and witnesses; to compel the attendance of witnesses; and to administer oaths to witnesses and do and perform such other acts and prescribe such other regulations as may be necessary to carry out the provisions of this act. The commission shall prepare and the comptroller shall furnish to as-

sessors schedules conforming to the different classifications of assessments and all other necessary forms.

(11) The commission shall require assessors to furnish biweekly reports, giving specific information relating to assessment and other facts concerning properties recently sold. Blanks shall be furnished assessors for this purpose by the commission.

(12) It shall be the duty of the commission to procure the assessment of all property in the state at the actual cash value thereof, and it is hereby required to exercise all powers herein conferred upon it to that end.

(13) The commission shall have the power, and it shall be its duty, to remove from office the assessor of any county who fails or refuses to comply with his duties of office as provided in this act; and the commission shall name an assessor in his stead, as provided in subdivision 2 of section 9 of this act.

(14) The commission may require the register of deeds, assessor, or county court clerk in each county to report to it all transfers of land, at such intervals and in such manner as the commission may require.

(15) The commission shall prepare and adopt tax maps for each county in the state as soon as practicable. The state geologist and all other public officials, when called upon to do so by the commission, shall render such aid in the preparation of tax maps as may lie within their power, consistent with the duties of their offices.

(16) The commission may hold such special meetings at such places as a majority of the members thereof may think proper, and shall give notice to the general public by publishing the time and place of all meetings in advance of said meetings in some daily newspaper published in the grand division of the state in which the meeting is to be held.

(17) In addition to other sessions held for other purposes, as prescribed in this act, the commission shall hold annual sessions at the Capitol at Nashville, commencing on the first Monday in September, 1915, for the purpose of equalizing, under the provisions of this act, the assessment of all properties assessed during the year the annual session is held, which session shall be known as the equalization session of the commission. The commission shall have jurisdiction of, and it shall be its duty to equalize at said session, the assessment of all properties in this state.

Taxpayers and property owners, without further notice than this act, are required to take notice of said sessions. Said sessions shall continue from time to time or day to day until the equalization is completed. If, during any such session, it shall be deemed necessary, adjournment of the session may be made to any other place in the state designated by the commission.

The commission may, at any session, hear appeals from the action of the members of the Railroad Commission of the State of Tennessee, acting as state tax assessors, or from the board of equalization, trustee, or county court clerk of any county in correcting assessments of property, the commission being hereby vested with the powers and duties of the state board of equalization, heretofore composed of the Governor, treasurer, and secretary of state.

The commission, at regular session, as well as at any other session, may give notice to any taxpayer within its jurisdiction, requiring him to appear before it within ten days next after the notice is served upon him, and at the time and place designated in this notice the commission may correct the assessment of the property of any taxpayer of the state.

(18) During the sessions of the commission any taxpayer of the

state, or any owner of property subject to taxation in the state, shall have the right to a hearing and determination of any complaint such taxpayer or owner of property may make on the ground property other than the property of such taxpayer or owner has been assessed at less than the actual cash value of the same, or at a less percentage of value than the property of such taxpayer or owner of property; but the complaint, subject to amendment for cause, shall be specified in writing and filed with said commission on or before the first day of any session.

(19) In like manner any state or county assessor, county court clerk, or trustee may file a complaint in writing, pointing out wherein any taxpayer has been inadequately assessed or whose property has escaped taxation; and when said complaint shall have been filed, the secretary of the commission shall cause a copy thereof to be served on the owner of the property referred to in said complaint at least five days before a day fixed for the hearing of said complaint; and the said commission shall have the power, at the time given in the notice or at any time which said hearing may be continued or adjourned by the commission, to correct the assessment on said property or to assess the same at its full cash value.

(20) It shall be the duty of the commission at such sessions to equalize, compute, and fix the values of such properties so that the value of all assessments equalized by said commission shall conform to said standard of actual cash value. Equalization may be made by the commission of classifications of properties and by wards, civil districts, or counties, or in such manner as the commission may deem will best enable it justly and equitably to equalize assessments in conformity with said standard.

(21) *Provided*, that before the assessment of the property in any county in this state shall as a whole be raised or reduced or in any manner changed, it shall be the duty of the said commission to give ten days' notice in writing to the chairman of the county court or the county judge of the said county of their purpose, on a day fixed in said notice, not less than ten days after the service of said notice, to consider the assessment of property in said county; and *provided, further*, that before the said commission shall raise, reduce, or in any manner change the assessment of the property in any county, proof shall be taken by said commission, and the commission shall have the power to issue summons for witnesses, which summons and the notices hereinbefore provided for shall be executed by the sheriff or any lawful officer of the county.

(22) Hereafter all appeals provided for in this act from the decisions of the members of the Railroad Commission of the State of Tennessee, trustees, county court clerks, or boards of equalization, shall be made to the commission.

(23) The commission shall enter or cause to be entered in a book prepared for the purpose, a record of its action in equalizing properties, showing corrections and changes in assessments, increases and decreases in the values of property by percentage or otherwise; and proper and necessary certificates of the same shall be certified to the members of the Railroad Commission of the State of Tennessee and to the assessors of the counties affected, who shall make proper and correct entries of the same upon the tax books, to be turned over to the comptroller and trustees.

(24) The action of the commission shall be final and conclusive as to all matters passed upon by the commission, and taxes shall be collected upon the valuation so fixed and found by the commission.

(25) The commission shall also hear appeals upon matters of reas-

sessments or correction of assessments made by the comptroller, trustees, or county court clerks.

The right of appeal from decisions of said comptroller, trustees, or county court clerks in the matter of correction or reassessments is hereby given to the state and county, or party assessed or reassessed, provided said appeal is prosecuted within ten days from the date of such reassessment or attempt to reassess; and the comptroller, trustee, or county court clerk shall, upon such appeal being perfected, certify his action to the commission, whose duty it shall be to hear the matter in controversy within ten days from the filing of the notice of appeal with it, provided it is then in session.

(26) When the commission shall have finished the equalization of properties assessed during the year, it shall append to the record of its actions an official certificate, signed by its members, that the values of assessments equalized by it have been equalized, fixed, and computed in conformity with the standard prescribed by this act, and that all properties for the purpose of taxation have been valued at the actual cash value thereof.

(27) It shall be the duty of the members of the Railroad Commission of the State of Tennessee, and of each county judge or chairman of a county court, county court clerk, county trustee, assessor, and member of a county board of equalization, to fill out and return blanks and furnish information, evidence, and affidavits, when called upon to do so by the commission; and it shall also be the duty of the members of the Railroad Commission of the State of Tennessee, when acting as state tax assessors, and of the county boards of equalization, to observe such rules and regulations as may be prescribed by the commission for their use and government.

(28) It shall be the duty of the commission to certify in writing any violation of, or failure, refusal, or neglect on the part of, any assessor, deputy assessor, member of a board of equalization, county judge or chairman of a county court, county court clerk, trustee, or other official, and to file such certification in the office of the comptroller; and the comptroller shall direct, in case such offense is punishable with a penalty, the proper district attorney to institute proceedings as prescribed in this act to recover such penalty, and, in case the offense is punishable as a misdemeanor, the proper district attorney ex officio to prosecute the offender.

(29) Said commission shall certify in writing, to the comptroller of the state and the county judge or chairman of the county court of the county where such property is located, all evidence of any properties escaping taxation, with the name and owners and location of the properties to be investigated and proceeded with as required by law.

(30) All necessary and proper office and traveling expenses incurred in the performance of the duties imposed under this act by said commissioners or the employees of the commission shall be paid out of the state treasury upon the sworn itemized statement of one of the members of the commission. Such expense account shall be approved by the comptroller, and he shall issue his warrant for same; and this amount shall be payable upon his warrant, and the amount necessary for the carrying out of the provisions of this act is hereby appropriated.

(31) In all suits brought or prosecuted by said commission, or by a county judge or chairman of a county court, county court clerk, trustee, or other public official for the collection of taxes or public revenue, if in the federal court, the attorney-general of the state shall conduct said suit on behalf of the state and county; and if in the circuit court, the district attorney-general for the circuit wherein the suit is pending

shall conduct said suit on behalf of the state and county or public officials.

In all litigation in the Supreme Court of the State, in which taxes or other public revenue are involved, the state shall be represented by the attorney-general of the state.

In all litigation before the trustee, county court clerk, circuit court, chancery court, or the commission, whether by motion, suit, or otherwise, in which the assessment of state, county, or municipal taxes is involved, the state shall be represented by the district attorney-general or his assistant for the circuit from which said litigation arose.

The district attorney-general may be assisted by the county attorney for the county in which the litigation arose; but in no case shall said attorney-general for the state, district attorney-general, county attorney, or their assistants, receive any extra compensation for said litigation. No other attorney than those herein enumerated shall receive any compensation for the litigation herein specified.

(32) On the tenth day of January, 1917, and every two years thereafter, the commission shall submit a review of its work in narrative and statistical form to the Governor, and, with this review, suggestions and recommendations by the commission with reference to changes in the revenue and assessment acts with reference to any reforms or amendments to the tax law of the state, and such other information as it may deem advisable.

SECTION 38. *Be it further enacted*, That should the property in any district or ward, or any part hereof, escape assessment or fail in any manner to be assessed, the trustee is hereby required to assess the same at its actual cash value, and report the amount of the taxes thereon collected to the county court as "picked-up" taxes at the same time he reports lists of errors, etc., giving a description of said property, district or ward in which located; and the clerk of the court is hereby required to certify copies of said report to the officers with whom the trustee by law is required to settle; and the trustee shall account for the same in making final settlements of his various accounts; but no assessment authorized by this section or by section 30 of this act shall be made for any other years than for the years in which said assessments shall be made and for six years preceding same.

SECTION 39. *Be it further enacted*, That—

(1) Each assessor shall make out from the assessment books in his possession a tax book, and deliver it to the trustee of the county on or before the first Monday of December each and every year, respectively; and he shall receive such compensation as the county court shall allow; *provided*, that the trustee shall, at the date of his induction into office, have entered into the several bonds in the amount of taxes as required by law.

(2) Said tax books shall be made out by districts, and shall be ruled in suitable and appropriate columns, and shall show names of owners in alphabetical order, the number of lots and blocks, number of acres, description of the property as contained in the assessment roll, the value of each lot, tract, or parcel of land, the valuation of personal property under the appropriate head or items called for by this act, and the total valuation of real and personal property against each taxpayer; also all poll taxes due according to said assessment books. On the total valuation of the real property of each taxpayer, the state, county, special, road, school, and municipal taxes shall be extended in appropriate columns separately, according to and at the rate levied by the proper authority for each of said purposes, and a column added

showing the total of all taxes levied for all purposes and to be collected from each taxpayer.

SECTION 40. *Be it further enacted*, That taxes on property for municipal purposes shall be imposed on the value thereof as the same is ascertained by the assessment for state taxation, and shall be collected by the same officers at the time and in the manner prescribed for the collection of the state revenue, except as herein provided; and it shall be the duty of the assessor, in making out the tax books, to place all the property within the limits of any given municipality so that it will be separate from the other property; and by footing up the assessed valuations on each page and recapitulating such footings he shall show the aggregate valuation of all property within the limits of each incorporated town, city, or taxing district; and in the same manner he shall show the aggregate valuation of all property within the limits of the county. The tax books for realty shall show the name of the owner, if known; the description of each lot, tract, or parcel of land, and the value thereof.

SECTION 41. *Be it further enacted*, That all taxes—state, county, and municipal—to be collected under this act shall be payable the first Monday in December in each year, except municipal taxes of cities having a population of 100,000 or over by the federal census of 1900 or any subsequent federal census, and such other municipal corporations which, under existing laws, are authorized to collect their own taxes on property, privileges, and polls. All delinquent property taxes of all kinds of all municipal corporations shall be certified by the proper officer of said corporations to their respective county trustees by the first of September of the year next after they accrue; and the property against which said taxes are assessed shall be sold by the trustee at the same time and as a part of his other sales, and the proceeds of such sales shall be disposed of and the property may be redeemed as elsewhere provided in this act; *provided*, that municipal corporations having the power under their charter to collect their own taxes can provide by ordinance for the collection of their delinquent taxes, except municipal corporations having a population over 14,000 and not over 20,000 by the federal census of 1900 or any subsequent federal census, and at the end of said section after the words "and polls" insert as follows: "Except such corporations as by the federal census of 1900 or any subsequent federal census that have a population of over 14,000 and not over 20,000; and all delinquent taxes not barred by the statute of limitations shall by the proper officer of such cities be certified to their county trustees by the first of September of each year, and the property against which said taxes are assessed shall be sold by the trustee at the same time and as a part of his other sales, and the proceeds of such sales shall be disposed of and the property may be redeemed as elsewhere in this act provided; *provided*, nothing in this section shall apply to municipal corporations which have a right under the provisions of their charters to assess and collect their own taxes on property, privileges, and polls."

SECTION 42. *Be it further enacted*, That—

(1) The trustee shall give to each taxpayer a receipt, written in ink, for all the taxes paid by him, numbered, dated, and filled up, so as to show, in case of land, by whom and on what taxes were paid; and it shall be the duty of the county court of each county to furnish the trustee thereof a sufficient number of tax receipts, printed in duplicate and in a blank form in a book or books numbered from one up, consecutively, and shall have the year for which said taxes are due printed in large figures, not less than one inch deep, on the face of each re-

ceipt. The trustee shall be charged with these receipts, and must in his final settlement account for each blank receipt so received by him; and no payment to the trustee of any tax shall be legal and binding unless paid upon the regular tax receipt herein specified, and duplicate receipts shall be preserved in said book or books, to be submitted to the county court by the trustee whenever required to do so; and said receipt book of duplicates, when filled, shall be filed in the office of the assessor for reference, and shall be receipted for by the assessor and carefully preserved in his office as a record for the protection of taxpayers who have paid their taxes and lost or misplaced their receipts; *provided, however,* that in counties of 30,000 population or over said duplicate receipts will remain in the trustee's office as a part of the records thereof.

(2) It shall also be the duty of the county court to furnish to the county trustee blank poll tax receipts not less in number than one and one-half times the number of polls assessed. Such receipts shall be printed in duplicate and all numbered from one up, consecutively, and bound in books of twenty-five, fifty, and one hundred each, and shall have the year printed in large figures on the face of the receipt not less than one inch deep each.

(3) Every poll taxpayer shall receive one of these receipts from the trustee or deputy trustee or constable; *provided,* that one receipt shall be sufficient for realty and poll.

(4) The trustee shall be charged with these receipts, and must account for each receipt in his final settlement, either in money or by returning the receipts unused, or giving a satisfactory explanation for failing to do so.

(5) It shall be a misdemeanor for any person to print, issue, or use any counterfeit poll tax receipts, punishable by a fine of not less than one hundred dollars nor more than five hundred dollars.

SECTION 43. *Be it further enacted,* That the assessor shall make out from said tax books an aggregate statement, showing the value of all town lots, the number of acres, and value of all tracts of land and the value of all personal property. This statement shall be made and the tax shown by civil districts and wards, and shall show the aggregate for the whole county from the items named. The assessor shall specify in said statement which of said districts are urban and which are country districts. This statement shall be forwarded to the comptroller on or before the first Monday in November in each and every year. He shall also certify a like statement to the mayor of each municipality by said date.

SECTION 44. *Be it further enacted,* That should any assessor fail to comply with the requirements of sections 41, 42, and 43 of this act, when within his power to do so, he shall forfeit all claims for compensation for labor and services for making out and preparing said tax books.

SECTION 45. *Be it further enacted,* That—

(1) It shall be the duty of the assessor to make a return to the county court clerk of the name of each person, company, firm, or corporation engaged in any business liable in any way to pay a privilege tax in each district or ward under the provisions of law.

(2) It shall be the duty of the county judge or chairman of the county court and of the county court clerk to examine the list so returned and compare the same with the list of persons paying privileges; and he shall report the result to the quarterly court at the Oc-

tober term following the assessment, and the said report shall be read in full meeting of the county court and spread upon the minutes of the court.

SECTION 46. *Be it further enacted*, That—

(1) Every male inhabitant between the ages of twenty-one and fifty years, except persons who are deaf, dumb, blind, or incapable of labor and of earning a livelihood, shall pay a poll tax for school purposes. Such persons as are liable to poll tax upon the tenth day of January of each year and exemption under this act shall be fixed according to the age of the person on the tenth day of January of each year.

(2) The rate of taxation on every taxable poll shall be one dollar. Said poll tax shall be collected annually by the trustee, and shall be appropriated for common-school purposes in the manner prescribed by law.

(3) Every taxpayer shall pay his poll tax, if liable for poll tax, at or before the time he pays his property tax. No trustee shall receive from any taxpayer his property tax and receipt him therefor until his poll tax is paid, if liable for poll tax; *provided*, the trustee shall not enforce this section where the taxpayer in good faith claims that he is not liable for the payment of the poll.

Every trustee who violates this section or permits it to be violated by any of his deputies shall be held liable for all poll taxes that may become delinquent on account of such violation; and any collector of revenue may proceed against such trustee who shall receive from any taxpayer his property tax and receipt him therefor until his poll tax is paid, if liable for poll tax; *provided*, the trustee shall not enforce this section where the taxpayer in good faith claims that he is not liable for the payment of a poll.

SECTION 47. *Be it further enacted*, That—

(1) The clerk of the county court shall collect all taxes on privileges and merchants unless otherwise provided.

(2) And the county trustee shall continue to act as the collector of taxes in accordance with the provisions of sections 1 and 2 of an act approved on the twenty-fourth day of March, 1875, entitled "An act more cheaply to collect the State, county, and municipal revenue."

SECTION 48. *Be it further enacted*, That every taxpayer shall pay his state, county, municipal, highway, school, and all his property and poll taxes to said county trustee, except when otherwise provided by law; and said taxes shall be due and payable on the first Monday in December of each year, and shall bear interest from the first day of March following, and, in addition, a penalty of one per centum for each month the taxes are delinquent, to be added on the first day of each month, beginning with the first of March, except as otherwise provided in regard to municipal and poll taxes.

SECTION 49. *Be it further enacted*, That—

(1) All taxes remaining unpaid on the first day of March of each year shall immediately be collected by the county trustee by distress and sale of any personal property liable therefor; and the tax books in the hands of said trustee and the delinquent lists to be furnished, as herein provided, to deputy trustees or constables, shall have the force and effect of a judgment and a distress warrant and an execution from a court of record authorizing him to make such distraint and sale.

(2) Ten days' notice of the time and place of said sale shall be given by advertisement put up in three public places in the county, one of

which shall be in the district where the taxpayer resides and one of which shall be at the courthouse door.

(3) The officers shall in all cases have the personal property present when sold, and shall be allowed to retain, in addition to the taxes, all commissions, costs, and necessary expenses of removing and keeping the property distrained.

(4) In cases where the officer cannot find personal property sufficient to satisfy said taxes, he is authorized to proceed by garnishment process, returnable before some justice of the peace on any day succeeding the service. The proceedings on the return of such garnishment process shall be as provided in cases of garnishment on execution, and on judgment, if upon the answer of the garnishee the judgment shall go against him, and said judgment shall be in the name of said officer.

(5) On all taxes collected by the trustee, the trustee or his deputies or constables, whichever performed the services, shall have the same fees where they collect by distress or distress and sale as are allowed for collecting executions.

(6) After the taxes become delinquent, the county trustee shall have power to appoint such deputies as may be necessary for the collection of the delinquent taxes; and in such cases he shall furnish the deputy with a list of the delinquent taxpayers, with the description of the property assessed against each and the amount of taxes due from each.

(7) The trustee shall keep a record of all levies made by himself or deputies and of proceedings under such levies.

(8) The deputy trustees appointed to collect delinquent taxes shall be allowed all the fees and costs earned by each and accruing on such lists, and the trustee shall not be required to account for such fees and costs as a part of the emoluments of his office under the existing laws.

(9) The trustee shall make out a list of all delinquent poll taxes by districts, and shall place the same in the hands of the constables in each district or a deputy trustee not later than the tenth day of April next after the year for which said poll taxes were levied; and for collecting such taxes the officer shall be entitled to collect as compensation a commission of ten per centum on the amount of poll tax, in addition to the commission now allowed by law for collecting executions, which commissions shall be paid by the delinquent. If it is necessary to collect such delinquent poll taxes and the aforesaid ten per centum commission aforesaid by distress and sale or garnishment, as hereinbefore provided in collecting taxes assessed against owners of real estate, the officer shall have the same fees as now allowed for like services.

(10) All lists shall be returned by such officer on or before the first day of June, and after said date poll taxes may be paid by adding thereto the same rate of interest and penalties as are added to delinquent real estate taxes.

(11) The constable or deputy trustee shall make monthly reports to the county trustee of polls collected, and pay over to said trustee all poll taxes collected during the month after retaining the fees to which he is entitled by law.

(12) On the first day of June the constable or deputy trustee shall make a final settlement of the polls in his hands for collection, and in the settlement shall be charged with the aggregate amount of polls in his hands for collection and be credited with the amount collected and accounted for, with errors, double and illegal assessments, and with such insolvent or other polls as such officer shall show could not have been collected by law after diligent effort on his part.

(13) Any balance found due on such settlements may be recovered of the constable or deputy trustee and his sureties on his bond, by suit or motion, on five days' notice, in any court of record, instituted by the

county trustee or any collector of revenue or district attorney of the state.

(14) The constable or deputy, before entering upon the collection of the polls, shall enter into a bond, payable to the State of Tennessee, in a sum sufficient to cover the aggregate amount of polls to be collected, with two or more solvent sureties, and conditioned faithfully to perform the duties herein and discharge every balance found against him upon settlement with the county trustee, which said bond shall be approved by the trustee and filed for preservation in the office of the clerk of the county court.

(15) Nothing in this act shall be so construed as to allow the trustee any fee for making out the list of delinquent taxes for either real estate or polls for the deputy trustee or constable; nor shall the trustee receive any fee for any services required to be performed by him under the provisions of this act, except the commissions herein allowed.

(16) Nor shall any deputy or constable be entitled to any fee for any service rendered in relation to any delinquent tax in his hands for collection unless he collects taxes in person from the delinquent; and after delinquent taxes on property or polls have been returned by the deputy trustee or constable uncollected, said delinquent may thereafter pay the same to the trustee by paying the interest and penalty of one per centum from the date of its accrual.

(17) Any trustee, revenue collector, or other officer having charge of the collection of back poll taxes who refuses to give a receipt where the tax, interest, and penalty for the preceding or other years is tendered by any party volunteering to pay his poll taxes, is hereby guilty of a high misdemeanor, and, upon conviction, shall be fined not less than fifty dollars nor more than one hundred dollars, at the discretion of the court.

SECTION 50. *Be it further enacted*, That after the first day of June of each year the trustee shall advertise all real estate upon which taxes remain due and unpaid, or which is liable for sale for other taxes, at the door of the courthouse of the county on the first Monday in July following, and said advertisement shall be substantially in the form following—to wit:

"DELINQUENT TAXPAYERS, TAKE NOTICE.

"On the first Monday in July next, at the courthouse door [here name county and town], I will offer for public sale all the real estate belonging to delinquent taxpayers for the year ———. The following is a list of such delinquents, the district in which the property is situated, and the number of acres in each tract, as follows [here insert list of delinquents, etc.]; and if said sale is not completed on the said first Monday in July, the same will continue from day to day until completed. (Signed) ————————, Trustee."

Such notice shall be inserted once a week for three weeks in some newspaper published in the county; and if none is published, then by posting said notice at the courthouse door for three weeks previous to said sale, the fee therefor to be paid by the county. But error in said notice shall not invalidate any sale thereunder if the land be so described as to be capable of identification.

SECTION 51. *Be it further enacted*, That on the first Monday in July, if the taxes remain unpaid, the trustee shall proceed to sell land of each delinquent taxpayer to pay the amount of taxes due by him and all costs, interest, penalties, and charges thereon, to the highest bidder for cash; and the sale shall be continued from day to day between the hours of 10 o'clock A.M. and 4 o'clock P.M. each day until all is sold,

and the trustee shall enter on the tax books at the place for entering date of payment the words: "Sold to ———— [name], ———— [date]." The courts shall apply the same liberal principles in favor of a title acquired by a purchaser at a sale for delinquent taxes as are applied to sales by execution. No failure to observe the requirements of the law with respect to assessments shall vitiate an assessment or affect the title to property sold for delinquent taxes; nor shall a failure to collect said tax by distress and sale of personal property first affect said title, provided the land be so described as to be capable of identification.

SECTION 52. *Be it further enacted*, That any one in possession of land sold for taxes under the provisions of this act shall become the tenant of the purchaser at will from and after the first day of January following the date of sale; *provided, however*, in cases where the tenant has, prior to the date of sale, paid his rent to a time beyond said first of January, or has, prior to date of sale, given his written obligation covering a period of time beyond said first day of January, and said written obligation is legally owned or held by third parties, then the tenancy defined by this act shall continue without any right to collect rent on the part of the purchaser until the expiration of the time paid for or covered by such written obligation.

SECTION 53. *Be it further enacted*, That—

(1) No tract, lot, or parcel of land shall be sold for less amount than the amount of taxes, interest, penalties, and costs and charges due thereon; and if no person will bid the amount of such taxes, interest, penalties, costs, and charges, the trustee shall strike the same off to the treasurer of the state, to be held in trust for the use of the state, county, and municipality, said sale to be for the amount of said taxes, interest, penalties, costs, and charges thereon due to the state, county, and municipality.

(2) The trustee shall, on or before the first Monday in September thereafter, file in the office of the clerk of the circuit court in his county a certified list of the lands so struck off by him to the state treasurer, specifying the days of the sale, the amount of the respective taxes for which said sale was made, and each item of costs thereof, which list shall be made in book form and kept by said clerk as a part of the official records of his office. The trustee shall likewise forward a certified list of said lands to the commission.

(3) The list of land so filed with said clerk shall be in lieu of conveyance, and shall vest title in said treasurer for the use aforesaid to all the lands embraced in such list as a conveyance to said treasurer would do.

(4) Said list may be certified substantially as follows:

"I, ————, trustee of ———— County, Tennessee, do hereby certify that the foregoing is a correct list of all real estate sold by me to the state treasurer for delinquent taxes of the year ———. This ———— day of ————, 19——.

"(Signed) ————, Trustee."

(5) A copy each of the list so filed with the clerk shall be sent both to the commission and comptroller by the trustee, the correctness of which list shall be certified to by the said circuit court clerk.

SECTION 54. *Be it further enacted*, That—

(1) Land struck off to the treasurer of the state for taxes, interest, and penalties shall not be sold again for taxes subsequently accruing until the same shall have been redeemed or purchased as provided in sections 62 and 63 of this act.

(2) The trustee shall report such subsequently accruing taxes, interest, penalties, and costs to the circuit court clerk, who shall enter the amount thus reported as a charge against such land.

(3) After the sale, the land shall be assessed to the party owning the right of redemption therein.

(4) If any property for taxes sold and struck off to the treasurer can be rented for a sum sufficient to pay the taxes, costs, and penalties and subsequently accruing taxes within one year from taking possession after deducting from such rents a commission of ten per centum, which may be allowed to any agent for services in renting such property, then the clerk may take possession of said land and have the same rented out. The net rent each month shall be credited on the amount necessary to redeem said land.

(5) The clerk is hereby authorized to issue such writ of possession as may be ordered by the court to gain possession of said property at any time it may be necessary to remove any person who may deny his rights to possession or who refuses as tenant to pay rents agreed upon.

SECTION 55. *Be it further enacted*, That—

(1) The trustee shall also make a list of the lands sold to individuals, in book form, in the same manner and at the same time as required for lands struck off to the state treasurer, which he shall file with the clerk of the circuit court of his county, which shall be kept by the clerk as part of the official records of his office; but a failure to make return or record of said list or a defective list shall not affect the title.

(2) The list of lands so filed shall operate to vest title in said purchasers, respectively, to the lands purchased in fee simple; and any purchaser at tax sale shall be entitled to receive, if he demands the same, a certificate showing his purchase, signed by said trustee.

(3) The trustee shall append to said list of lands sold to individuals a certificate substantially as follows:

"I, ————————, trustee of ———————— County, Tennessee, do hereby certify that the foregoing is a correct list of all real estate sold by me to individuals for delinquent taxes of the year ————. This ———————— day of ————————.

"(Signed) ————————, Trustee."

SECTION 56. *Be it further enacted*, That—

(1) The lands struck off to the treasurer of the state and the lists of lands sold to individuals shall remain in the office of the clerk of the circuit court, and the owner of the land or any person for him or any creditor of such owner may redeem the same within two years from said sale by paying said clerk, regardless of the amount of said purchaser's bid at a said tax sale, the whole amount of the taxes for which the land was sold, with all the costs, interest, penalties, and charges consequent upon the sale, and damages or penalties at the following rate—viz.: Six per centum per annum interest and a penalty of one per centum for each month from date of sale, and also all state, county, and municipal taxes that have accrued on such land since the sale, with interest thereon at the rate of six per centum per annum and one per centum per month penalty from the first of March in each year following the year for which such taxes are assessed.

(2) And this interest and penalty shall accrue on subsequent taxes in favor of individual purchasers at tax sales, who may, during the month of February or after that time, pay subsequently accruing taxes.

(3) And as compensation for the clerk, he shall be entitled to a commission of five per centum on the whole amount of the redemption

money and a fee of fifty cents for issuing the redemption receipt, which amount shall be collected from the delinquent, which receipt shall include all property redeemed by any person at one time.

(4) Saving to persons under disability, whose lands may be sold for taxes, a right to redeem the same, within two years after such disability shall have been removed, from the purchaser thereof, on the terms herein prescribed, on their paying the enhanced value of the land resulting from any permanent improvements on the land after the expiration of two years from the date of sale of the land for taxes; *provided*, the value of such improvements shall not exceed the rental value of the land.

SECTION 57. *Be it further enacted*, That—

(1) On any day of any term of the circuit court after the time when such lists of lands sold for taxes and struck off to the treasurer of the state or sold to individuals are filed with the clerk of said court, it shall be the duty of the court, upon motion of the trustee or any collector of revenue of the state or any purchaser, to enter a decree in form about as follows:

THE STATE OF TENNESSEE,
For uses, etc.,
v.

Delinquent property—real, personal, and mixed—assessed for taxes due the state, county, and municipalities in the county ————.

It appearing to the satisfaction of the court that the trustee for ———— County, in the State of Tennessee, has filed lists of sales of property in said county delinquent for taxes due thereon, for the year ———— and ———— years prior thereto, to the state, county, and municipalities in said county; it further appearing to the court that the treasurer, for use of the state, etc., and various individuals and corporations have become purchasers of specific portions of the property as described and set out in said list; it is, therefore, decreed by the court that such sales be confirmed, and that all rights, title, interest, and estate of any kind and character pertaining to said property, or any parcel or portion thereof, is hereby vested in the respective purchasers as shown by said lists, subject alone, however, to the right of redemption given by the terms of the act under which such sales were made.

(2) The clerk of this court will, upon the payment of the legal fees therefor, issue to any purchasers named in said lists a writ of possession to put such purchaser in possession of the property purchased; *provided*, that said writ shall not issue before the expiration of two years from the date of sale, and that such writs shall be subject to the rights of tenants as heretofore defined in this act.

(3) It shall also be the duty of the circuit court on any day of any term hereafter, on the motion of any purchaser named in the lists of lands sold for taxes under the provisions of chapter 1 of the acts of the fiftieth general assembly, approved April 30, 1897, or subsequent acts, on file and constituting a part of the record of such court, or upon the motion of any trustee or revenue collector, to enter a decree in about the form hereinabove set out, confirming the sales of said lists, except that the writs of possession shall be decreed to issue on compliance with the provisions of section 65 of this act.

(4) No writ of possession shall be issued by the clerk under this act unless the court shall have first ordered a writ of possession.

(5) This provision shall apply to all sales heretofore made and hereafter to be made to individuals and to the treasurer of the state or to any company or corporation.

(6) The respective circuit courts of this state are vested with the authority to render judgments, decrees, and order writs of possession for the purposes declared in this act.

(7) The comptroller is hereby authorized to take the necessary steps to put the state in possession of said property and to dispose of the same to the best advantage to the state, either by compromise or by sale, on approval of the Governor and attorney-general.

SECTION 58. *Be it further enacted*, That if any individual purchaser shall allow any land purchased by him to be again sold for taxes and purchased by another individual purchaser, then such subsequent individual purchaser shall acquire the superior title, and the title of the first purchaser shall become null and void as against the title and claim of such subsequent purchaser.

SECTION 59. *Be it further enacted*, That if the purchaser of land at a tax sale shall not immediately pay the amount of his bid, the trustee shall offer the land again; and if some person will not then bid the amount of taxes, interest, costs, and charges upon it, it shall be struck off to the state treasurer as in other cases.

SECTION 60. *Be it further enacted*, That if any land be sold for more than the amount of taxes due thereon and all costs, interest, and charges, the excess shall be paid over by said trustee to the clerk of the circuit court at the same time that he shall file with said clerk the list of land struck off to the treasurer and to individuals, taking his receipt for the same, and said excess to remain in the hands of said circuit court clerk until the land is redeemed or until the period of redemption shall have expired; and if said land is redeemed, said excess shall be by the clerk paid to the bidder or purchaser, his representatives or assigns; and if the land be not redeemed, then the same shall be paid by said clerk to the person who owned the land at the time of the tax sale, his heirs or assigns; and the said clerk and his bondsmen, as the case may be, shall, respectively, be liable for the safe-keeping and disposition of said excess in accordance with the provisions of this act.

SECTION 61. *Be it further enacted*, That on the payment of the redemption money, the clerk shall, on the record of the list of lands struck off to the treasurer and the list of lands to individuals, respectively, write opposite the tract of land the word "Redeemed," and with the date of payment and redemption, the person redeeming, and the amount paid, so as to show the amount paid on account of taxes accrued since the sale; and the said clerk shall be liable on his official bond for any and all moneys collected under this act, and shall pay over the amount received by him on redemption to the persons entitled to receive the same.

SECTION 62. *Be it further enacted*, That—

(1) At any time after the sale of land for taxes, the lands, or any part thereof, struck off to the treasurer and reported to the circuit court clerk as herein provided, may be sold at private sale by said clerk to any one desiring to purchase the same for not less than the taxes, interest, penalties, and costs due thereon to the date of such sale; and such purchaser shall take the same, with all the rights and subject to all the redemption rights, the same as if he had become purchaser at trustee's sale.

(2) After the time for the redemption of any tract of land sold for taxes shall have expired, any person shall be entitled to receive from

the clerk of the circuit court a conveyance of the title vested in the treasurer of the state for the uses aforesaid upon the payment to said clerk of the whole amount of taxes, interest, and penalties for which the land was sold, and all costs, interest, and charges consequent upon such sale, with interest at six per centum per annum and one per centum per month penalty from date of sale upon the amount for which said land was sold, and also all state, county, and municipal taxes, interest, and penalties which shall have accrued on the land since the said sale, with interest thereon, together with five per centum on the whole amount of the purchase money and fifty cents for making the deed for compensation for the clerk, which conveyance shall vest in him a good and indefeasible title to said land.

(3) The form of said deed shall be to the following effect:

"I, ————————, clerk of the circuit court of ———————— County, State of Tennessee, in consideration of the sum of $———— paid to me by ————————, hereby convey to said ———————— the following-described lands, situated in said county—to wit [here describe the land], sold to the treasurer of the state for delinquent taxes on property assessed to ————————, for the year ————, on the ———————— day of ————————, A.D. ————. The time of redemption having expired, this conveyance is made pursuant to the authority vested in me by law.

"Witness my hand and seal of said court hereunto affixed, this ———— ———————— day of ————————, A.D. ————.

"————————————, Clerk."

(4) The deed made by the clerk as above provided shall be prima facie evidence of the facts stated in the deed.

(5) The said seal of the circuit court clerk shall be a sufficient authentication, and entitle the same to registration without any acknowledgment.

(6) If the clerk shall have knowledge or reason to believe that more than one person desires a deed to any tract of land, he shall notify all such persons that he will, on a certain day, sell said land to the highest bidder; and the excess so paid shall be distributed to the state, county, and municipality in the proportion that each may be interested in the land sold.

(7) A writ of possession shall be ordered by the circuit court (to which the tax sale has been certified) upon application of any purchaser under this section.

SECTION 63. *Be it further enacted*, That—

(1) Any person who has purchased any real estate at a sale held by a back-tax attorney, under the provisions of chapter 120 of the acts of 1895, and who has received from said back-tax attorney a certificate of purchase, as provided in said act, and from whom said real estate has not been redeemed within the time required by law, may apply to the circuit court clerk of the county in which said real estate was sold for a deed; and if it shall be made to appear to the satisfaction of the said clerk that said real estate has not been redeemed from the party holding the certificate of purchase, it shall be the duty of said clerk to issue to said purchaser a deed in the same manner as provided in section 64 of this act.

(2) The circuit court clerk shall at any time, not later than six months after the right of redemption shall have expired on any property that has been sold for taxes under this act by the trustee and struck off to the treasurer of the state and not otherwise disposed of, advertise and resell all such property under the same rule and same notice that the

trustee sold under in the beginning, except that he shall state in his notice that the sales will be made in bar of the equity of redemption.

SECTION 64. *Be it further enacted*, That—

(1) After the time for redemption of any tract of land sold for taxes to individuals shall have expired, any purchaser shall be entitled to receive from the clerk of the circuit court a conveyance of the property so purchased, upon payment to the clerk of the sum of fifty cents, which shall be the clerk's compensation for making and delivering said conveyance.

(2) The form of said deed shall be, in effect, as follows:

"State of Tennessee, County of ————————, ss.

"Be it known that ————————, the county trustee of said county of ————————, did, on the ———— day of ————————, A.D. ————, according to law, sell the following land, situated in said county, assessed to ————————, to wit [here describe the land], for the taxes assessed thereon for the year ———— [if sold for other taxes, it shall be so stated], when ———————— became the best bidder therefor and the purchaser thereof at the sum of $———————— and ———————— cents; and the time for redemption having expired, I, ————————, clerk of the circuit court of said county, by virtue of the authority vested in me by law, hereby convey said land to ————————.

"Witness my hand and seal of said court hereunto affixed, this ———————— day of ————————.

"————————, Clerk."

(3) Said seal of the circuit court clerk shall be sufficient authentication and entitle the same to registration without acknowledgment.

(4) Said conveyance, as well as the conveyance provided for in section 62, shall be an assurance of perfect title to the purchaser of said land, and no such conveyance shall be invalidated in any court except by proof that the land was not liable to sale for taxes or that the taxes for which the land was sold had been paid before said sale; and if any part of the taxes for which said land was sold is illegal or not charged to it, but a part is chargeable, that shall not affect the sale nor invalidate the conveyance thereunder, unless it appears that before the sale the amount legally chargeable on the land was paid or tendered to the county trustee; and no other objection, either in form or substance, to the sale or the title thereunder shall avail in any controversy involving them.

(5) No suit shall be commenced in any court of the state to invalidate any tax title to land after three years from the time said land was sold for taxes, except in case of persons under disability, who shall have one year in which to bring suit after such disability is removed.

(6) No suit shall be commenced in any court of the state to invalidate any tax title to land until the party suing shall have paid or tendered to the clerk of the court where the suit is brought the amount of the bid and all taxes subsequently accrued, with interest and charges as herein provided.

(7) A writ of possession shall, upon application of the purchaser, included in this section, be ordered by the court to which the tax sale has been certified.

(8) The circuit court clerk shall not make deed for land struck off to the treasurer or sold to individuals until the circuit court clerk shall issue a notice as hereafter provided and have served on the person to whom said real estate was assessed, if to be found; if not, to his agent or representative or attorney; and if no such agent or representative or attorney can be found, the clerk shall make publication for four

consecutive weeks in any newspaper published in the county where the land is situated; or in case there is no paper in said county, he shall make publication in the nearest county paper for the person or persons who own said lands or to whom same is listed, specifying that unless said property owner or his agent or attorney or representative appear on or before a certain day at least sixty days from the service of said notice or from the last publication and redeem said land or lands by paying all accrued taxes—state, county, municipal, etc.—together with interest, penalty, and costs accrued to date of redemption, that the sale of said lands to the purchaser thereof shall become absolute; and the circuit clerk shall proceed forthwith to execute a deed to said lands to the purchaser aforesaid, who will pay to said clerk the whole amount of taxes, interest, and penalties for which the land was sold, and all the costs, interest, and charges consequent upon the sale, with interest at six per centum per annum and one per centum per month penalty from date of sale upon the amount for which said land was sold; and also all state, county, and municipal taxes, interest, and penalties which have accrued on the land since the said sale, with interest thereon, together with five per centum on the whole amount of the purchase money, together with the costs of the notice of publication heretofore provided for and a fee of one dollar to the clerk for making the deed. But failure to give the notice required hereby shall not affect or render void the title.

(9) FORM OF NOTICE.

"To ————————:

"As the owner [or as the agent or attorney of the owner, as the case may be] of ———— acres of land situated in the ———— district of ———— County, Tennessee, and bounded on the north by ————, on the east by ————, on the south by ————, and on the west by ———— [or if town lots or city property, describe by usual method of describing such property], you are hereby notified that unless you appear at my office in the courthouse in the town of ————, Tennessee, on or before the ———— day of ————, 19—— [giving sixty days' notice], and pay the sum of $————, state, county, and all other taxes assessed against said lands, together with all interest and costs incurred, including this notice of publication as now provided by law, your right to redeem same shall be forever barred, and deed to the same will be at once executed by me to ————, the purchaser of said lands.

"Witness my hand at ———— office on this ———— day of ————, 19——.

"————, Circuit Court Clerk."

(10) The above notice may be served by any county or district officer authorized to serve process.

(11) The form of public notice heretofore provided for shall be sufficient, if a substantial compliance with the above notice; and any number of property owners may be embraced in one publication, the expenses for the same to be prorated among them.

SECTION 65. *Be it further enacted*, That—

(1) Upon the request of any person who has or may become the purchaser of any property which has been sold for taxes due thereon under the provisions of chapter 1 of the acts of the fiftieth general assembly, approved April 30, 1897, and any subsequent acts, or to whom a deed has been executed under the provisions of said acts, the clerk shall, upon the order of the court and upon payment of the legal fees thereof, issue to such purchaser a writ of possession directing the

sheriff to put such person in possession of the property so purchased or described in such deed.

(2) However, before such writ of possession is issued, the purchaser shall make out a notice to the party in possession, giving a description of the property and the fact of his purchase at tax sale, or under the provisions of said acts, the time of purchase, and stating that he will not earlier than thirty days thereafter apply to the judge of the circuit court for a writ of possession to put him in possession of said land.

(3) Which notice shall be served by the sheriff or deputy sheriff or constable on the party or parties in possession; and if no one is on the premises at the time the officer is there, it shall be sufficient service to leave a copy of said notice tacked to the house or other place where it can be easily seen. The officer's return shall be sufficient evidence to the clerk that such notice has been served.

(4) If the party in possession is a tenant of the original owner and has paid his rent in advance or has given his written obligation for the payment of such rents, and such written obligation is legally held or owned by third parties, such party shall have the right to become the tenant of the purchaser at tax sale without rent until the expiration of the time for which he has paid in advance, or until the expiration of his written contract.

SECTION 66. *Be it further enacted*, That—

(1) It shall be the duty of the clerk of the circuit court, on or before the tenth day of each month, to report and pay over to the authorities—state, county, and municipal, respectively—entitled thereto all taxes collected by him on redemption and purchases as herein provided during the preceding month; and if he fail to do so, he shall be liable on his official bond for amount collected and to a penalty thereon of one per centum per day on the amounts so held or retained.

(2) Said report shall show the name assessed to, the description of the property, the amount paid in redemption, and name of party redeeming or purchasing.

(3) Whereupon the trustee and the collector of municipal taxes, if such taxes are collected separately, shall enter the fact of such redemption or purchase on the original tax duplicate opposite the original assessment, and the further fact of redemption by owner or creditor or sale by the clerk to a purchaser.

SECTION 67. *Be it further enacted*, That—

(1) Any person claiming or owning an undivided interest or part in any property or any specific portion of any property assessed to another shall receive a receipt in full for his taxes on paying such portion of the taxes as he claims of the property or such proportion of the taxes as his quantity of the property bears to the whole quantity taxed.

(2) Before issuing his receipt in full on any specific portion of such property, the trustee shall satisfy himself that the value placed on each portion is a correct relative valuation, either by agreement of the parties in interest or the certificate of the assessor that he has fixed the valuation of said portion.

(3) This rule shall apply to all taxes, interest, penalties, and costs that have or may become a lien on any property in the hands of the trustee for collection or of the circuit court clerk for redemption from tax sale.

SECTION 68. *Be it further enacted*, That—

(1) On or before the tenth day in each month the trustee shall report to and make settlement for all taxes collected during the preceding month with the comptroller of the state and with the judge or

chairman of the county court and with the financial agent or treasurer of each municipality, and pay over to the same the amounts shown by the respective settlements to be due each.

(2) The trustee shall make under oath a full and complete statement on the first Monday of September in each and every year of the condition of his office, setting out the aggregate amount of taxes collected, the amount so collected, giving state, county, and municipal taxes separately, and a full statement of the disbursements of the same and purposes for which disbursed and the amount on hand, and shall cause the same to be published in a newspaper published in said county; and if no paper is published in said county, shall cause the same to be published in the paper nearest to the county seat, to be paid for by the county.

(3) Said trustee shall not be allowed any commission when he fails to make such publication; and in the event commissions are allowed when said publication is not made, any citizen and taxpayer of said county may bring suit against said trustee and his bondsmen and recover for the use of the state and county all commissions thus illegally paid or allowed.

(4) Said monthly settlements so to be made to said judge or chairman and committee of court shall be spread upon the minutes of the court and municipality, respectively, and shall specify every credit allowed said officers for errors, removals, double taxation, and such other credits as are now allowed by law, except compensation to trustee.

SECTION 69. *Be it further enacted,* That—

(1) Annually, at the July term of the county court, the trustee shall present to said court a report of all insolvent and delinquent taxpayers and double assessments in his county, with the amount due from each, which report shall be verified by the affidavit of the trustee that he has made in person or by deputy a legal demand for taxes of all delinquent taxpayers found in his county by going to their places of abode or business and searching for something to seize or sell for taxes; that the taxpayers mentioned in the report have failed to pay their taxes and have no effects known to him which can be made to pay the same; and that he has made diligent inquiry as to such delinquents as have not been found and cannot find them in his county, and they have no effects known to him which can be made to pay their taxes.

(2) The county court shall proceed to examine said report, and shall allow the trustee a credit for such taxes so reported insolvent or delinquent and double assessments, as it may be satisfied remain uncollected without the default of the trustee, and no more.

(3) And a list of such allowances shall be made out and certified by the clerk of the county court and transmitted to the proper authorities of the state, county, and municipality, respectively.

(4) Said report shall be spread upon the minutes of the county court, and of the council or other governing body of the municipality, respectively.

(5) The county court shall not allow the trustee a credit for the insolvent list that he reports merely because he presents it duly sworn to; but the court shall examine carefully each credit claimed by the trustee and avail themselves of any information by witnesses to test the accuracy of the report, and shall not allow the trustee credit for the taxes of any delinquent who may be ascertained to have anything in his possession or any right of action, by a sale of which the trustee would be able to make the taxes.

(6) All the lists for which the court shall not allow a credit shall be charged against the trustee; and notwithstanding that the county

court may have allowed the trustee credits, such acts shall not operate as an estoppel in the event that it should afterwards appear that such credit was improperly allowed.

(7) The trustee shall retain the poll taxes included in his list of insolvencies and for which credit is allowed him as a charge against the taxpayers who have not paid the same, and at any same time he may receive payment thereof in person or through any deputy appointed by him; and he shall distrain and sell for such taxes, where there is any probability of collecting the same in person or by deputy appointed for that purpose, any property of such poll taxpayers and sell the same for payment thereof, and all collections of poll taxes so made shall be reported by him and accounted for in his next settlement made after the collection of the same.

(8) For such collections, when made by distraint or sale, he shall be entitled to the fees heretofore allowed in such cases. This section shall not be construed as in any way affecting section 49 of this act.

SECTION 70. *Be it further enacted*, That—

(1) Each trustee shall, on or before the first Monday in September of each and every year, submit the statement hereinbefore provided for—in case of all state revenue collected by him, to the comptroller; and in case of all county revenue collected by him, to the county judge or chairman of the county court; and for any municipality, to the mayor or proper officer of said municipality, for the purpose of making final settlement with said officer and accounting for all taxes, damages, penalties, fines, interest, and other revenue collected by him; and said trustee shall be allowed the credits herein provided for, and none other.

(2) It shall be the duty of the county judge or chairman of the county court to submit a copy of this settlement, showing all debits and credits, to the county court at the following term for inspection, which shall be entered upon the minutes of the court.

SECTION 71. *Be it further enacted*, That—

(1) Any and all parties intrusted with the collection and disbursement of public funds or revenue violating the provisions of this act, upon whom no penalty has been heretofore imposed for so doing, shall be guilty of a misdemeanor, and, upon conviction thereof, shall forfeit and pay to the state not less than fifty dollars nor more than five hundred dollars, which shall be placed in the treasury for the benefit of the public-school fund.

(2) And where such trustee or other officer, whose duty it is to collect any taxes under the provisions of this act, fails to pay over and account for any and all taxes which they have collected to the proper officer, in addition to the above penalty they shall be liable to a penalty of one per centum per day on the same from the time the same should have been paid, none of which shall in any way be remitted after the matter is placed in the hands of the attorney; and they shall, in addition, forfeit their respective offices.

(3) A motion or suit lies in favor of the state, county, or municipality against the trustee and his sureties on his official bonds for any moneys in his hands officially not paid over or accounted for according to law or for failure to collect.

(4) The motion or suit in favor of the state may be brought in the name of the state, and shall be made or brought by the district attorney of the circuit or district where it is instituted upon direction of the comptroller or treasurer or the commission.

(5) The motion or suit by the county may be brought in the name of the state, for the use of the county, by the district attorney or by counsel employed for that purpose.

(6) A motion or suit in favor of the municipality may be brought in the name of the state, for the use of such municipality, by the mayor thereof or the city attorney.

(7) In each case the counsel making the motion and conducting the suit shall be allowed fifteen per centum on the recovery as compensation as hereinafter fixed, to be added to and become a part of the judgment.

(8) The fees allowed to the counsel for the county shall be collected by the counsel for the county and reported to the county judge or chairman.

(9) The fees allowed to the city attorney shall be collected by said city attorney and reported to the mayor of the city or other chief official.

(10) In case the county judge or chairman of the county court should refuse to make the motion or bring the suit hereinbefore provided for after receiving the written request of any taxpayer to do so, then any taxpayer of the county may make such motion or bring suit in the name of the state for the use of the county and employ counsel to conduct the cause; but before making such motion or bringing suit, he shall obtain leave of the judge of the court in which the motion is to be made or the suit brought to do so. He shall make such application in writing, stating fully the grounds therefor, of which application the county judge or chairman of the county court shall have five days' written notice, stating time and place of application. The judge shall hear the application at chambers or in term time, and may adjudge the costs of the application against the applicant, against the county judge or chairman, or against the county as he shall deem just, and he shall enter judgment upon the record of his court accordingly.

(11) No power shall exist either in the court or any other official to release any officer charged with the collection of revenue or his sureties from the payment of any revenue, penalties, or fees which he or they may be liable for.

SECTION 72. *Be it further enacted*, That—

(1) In all instances in which current municipal taxes are collected by the county trustee, the same provisions and rules for the collection of delinquent taxes that may be due to the state and county, and none other, shall prevail and obtain.

(2) No distinct or independent sales by the trustee shall be made of the property upon which the said municipal taxes shall become delinquent, but in respect of all municipal taxes the trustee shall sell therefor at the same time, under the same advertisement, and under all the proceedings here provided for, at the next sale thereafter to be made for delinquent state and county taxes, such next sale to be made for all taxes, except as hereinafter provided, then delinquent to the state, county, and municipality.

SECTION 73. *Be it further enacted*, That all persons who shall buy any real estate sold under any provisions of this act for delinquent taxes which were a lien thereon, and who shall from any cause fail to get a good title or to recover possession of the realty, shall be subrogated to all liens that secured the taxes, and all costs, penalties, fees, and interest, and shall have the right to enforce such liens by bill in chancery and sale of the property for reimbursement of the purchase money and interest thereon; and all persons who have purchased or shall hereafter purchase realty sold for taxes under chapter 1, Acts of 1897, or under chapter 435, Acts of 1899, or under chapter 602, Acts of 1907, are entitled to the same right or subrogation and the same remedy for its enforcement; and the chancery court shall have jurisdiction in all such cases, though the amount sued for be less than fifty dollars.

Any person who shall purchase real estate sold for delinquent taxes from a trustee or by redemption through the circuit court clerk may sue for possession by bill in the chancery court, and may file his bill in a double aspect, seeking to recover possession; or if that relief is denied, then to enforce the right of subrogation as aforesaid, and the purchaser may avail himself of this remedy by bill in chancery without having taken any steps toward a confirmation in the circuit court or a writ of possession therefrom; or if he shall have taken any such steps, he may, nevertheless, maintain his bill as aforesaid; and in the event of his failure to recover the realty, then he shall have a lien therefrom for the amount he paid for the same, with interest and costs, and his reasonable attorney fees, to be fixed by the court, and shall be entitled to a decree for the sale of the realty to satisfy such lien; and in all such cases the chancery court shall have jurisdiction, whether the amount sued for be more or less than fifty dollars.

SECTION 74. *Be it further enacted*, That—

(1) The quarterly courts, at their July term, 1915, and each year thereafter, shall elect three competent citizens, not members of the county court, county court clerk, or deputy county court clerk, who shall be known as the "revenue commissioners" of the county. One of these commissioners shall be an expert accountant, and shall be selected as such.

(2) Their term of office shall begin on the first Monday in September following their election, and they shall hold office for two years and until their successors are elected and qualified.

(3) Before entering upon their duties, they shall subscribe to an oath before the clerk of the county court that they will well and truly discharge all duties that may devolve upon them by law.

(4) On Tuesday before the first Monday in January, April, July, and October of each year the revenue commissioners herein provided for shall meet and critically examine the settlements of the county judge or chairman of the county court, with all the collecting officers of the county. They shall inspect the reports of those collecting officers made to said judge or chairman, and the books of said officers if necessary. They shall also carefully examine the financial report of the said judge or chairman, which is hereby required to be made quarterly and be spread in full on the minutes of the county court. They shall examine the checks and warrants on which disbursements from the treasury have been made and compare these with the books of the trustee. They shall ascertain what warrants have been drawn by said judge or chairman during the preceding quarter, which of these have been paid, which have been registered with the trustee and remain unpaid, and how many, if any, have been either registered or paid. The revenue commissioners in each case shall look to see that the balances as stated in the report of said judge or chairman correspond with the balances shown to be on hand by the books of the trustee and exhibit of the cash or assets which he has or should have on hand. The revenue commissioners shall report in writing at the end of each quarter the result of their investigation, and it shall be their special duty to call attention to any neglect or violation of duty which they may observe on the part of any official.

(5) The revenue commissioners shall be paid for their services such compensation as may be allowed them by the quarterly courts of the respective counties, not to exceed three dollars per day for the expert accountant and two dollars per day for the other two members for the time actually engaged in the discharge of their duties; *provided*, that commissioners shall draw pay for such time in each quarter in any county having a population of 50,000 or over under the federal census

of 1910 or any subsequent census, as the county court shall determine, but not for more than ten days in any county having a population of less than 50,000 and more than 25,000 by said census or any subsequent census, nor for more than five days in any other county in the state.

SECTION 75. *Be it further enacted*, That—

(1) The comptroller shall appoint three revenue collectors, hereafter called collectors, who shall serve under such appointment for a whole period of two years from the date upon which they take their respective oaths of office. The jurisdiction of said collectors shall be defined by the comptroller, who shall so partition the various counties of the state as to give to each, as near as practicable, a territory of equal extent.

Each collector shall enter into a bond in the sum of ten thousand dollars in some solvent surety company, to be approved by some justice of the Supreme Court or some chancellor, before whom the oath of office is taken, said bond being made payable to the State of Tennessee, and conditioned on the faithful discharge of duty and for the covering into the treasury of all moneys by him collected.

(2) It shall become the duty of such collectors so appointed to inspect the records of the clerks of all courts of record in this state, of all justices of the peace, and of any other officials, ex-officials, or individuals charged at any time with the collection and disbursement of state or county revenue, or both, and also of any individual who has wrongfully collected and retained any state or county revenue, for the purpose of ascertaining whether or not any such official, ex-official, or individual has properly collected, disbursed, and accounted for all state and county revenues of whatsoever nature rightfully or wrongfully coming into his hands. The comptroller shall have the power to direct such investigations at any time and at such intervals as he may deem expedient in order to properly protect and guard the public revenue; but the collectors are authorized to proceed in such cases upon their own motion, if satisfied that an investigation should be made. Any taxpayer may request an investigation of any official, ex-official, or person having to do with the collection and disbursement of state and county revenues; but it must appear that such request is made in good faith and in the interest of the public welfare.

(3) The collectors shall have the right to enter the office of any collecting officer named, and, upon the presentation of evidence of his authority, shall have full access to any and all public records in any way pertaining to the affairs of said office for purposes of taxation, including all bank books, cashbooks, or other records pertaining to the public revenues; and for the purpose of counting the same said collectors shall also have access to all cash on hand and in bank at any time until the examination is completed and all accounts properly adjusted. It is hereby made a misdemeanor for any official to refuse to allow said collectors full and free access to all the books and records relating to his office, and any officials so refusing shall be liable to a fine of not less than one hundred dollars nor more than five hundred dollars for each refusal. The collectors are authorized to demand of any bank a statement of the accounts of any public official, ex-official, or person relating in any way to any moneys belonging to his office, consisting of state, county, school, road, highway, bridge, sinking fund, or any other public revenues, either general or special, and to personally inspect such records should the exigencies require.

(4) It shall be the further duty of said collectors to ascertain whether or not any revenues, moneys, fees, or costs have been wrongfully received, retained, certified, or disbursed by any collecting official

or ex-official, and also whether or not any such official or ex-official has had in his hands for more than two years any moneys, including witness fees, officers' fees, distributive shares of estate, funds arising from land sales, or from any other source or sources.

(5) It shall be the further duty of said collectors to investigate, when necessary, all bills of costs, fees, or other items certified to the state or county for payment out of the state or county treasury.

(6) Said collectors shall, by direction of the comptroller, present and obtain allowance by the courts, both state and federal, of all taxes, whether privileges or ad valorem, due the state from property or its proceeds in the hands of receivers under appointment of the court or otherwise in the custody of the law. They shall likewise bring and prosecute suits upon direction of the comptroller for all delinquent taxes due from railroads, street railroads, interurban steam and electric railroads, express companies, news companies, telegraph companies, telephone companies, electric power and water power companies, or any other taxpayer who is required to pay his tax direct to the comptroller's office.

(7) Said collectors, after making any collections of revenue, shall make monthly report of same under oath to the comptroller, remitting all state revenue to the state treasurer and all county revenue to the county judge or chairman in a report duly sworn to, the remittance being payable to the trustee of the county. A copy of the report to the county shall be embraced as a part of the report to the comptroller, which report shall show in detail all items collected and to what fund, state or county, the same belong.

(8) Said collectors shall also be required to examine at such stated intervals, as in the opinion of the comptroller it is deemed advisable, the reports of merchants as shown by the records of the county court clerks, and to make careful inquiry into the correctness of the same. In making such inquiries, the collectors are authorized and empowered to inspect merchandise stocks and demand of any merchant his stock inventories, insurance account, and all other reports or data in his possession pertaining in any way to his business as it may relate to the value of stock carried by him. In case of false statements, they shall have the power to demand of the county court clerk that a distress warrant be issued for the collection of any revenue due the state or county; but such distress warrant shall not issue until after said delinquent merchant is cited before the clerk, and, upon a hearing of the matter, said merchant is found to be delinquent and the amount of the ad valorem tax is fixed by the clerk, together with all legal interest, penalties, and costs.

(9) Said collectors shall inspect the list of privilege taxpayers as shown by the records of the several county court clerks of the state, and ascertain whether or not any person, firm, or corporation is exercising, or has previously exercised, any privilege without first having procured a proper license, in a proper manner, under the law. Should it appear to any collector that any person, firm, or corporation is exercising, or has already exercised, any privilege or privileges without first having taken out a license therefor, as required by law, he shall proceed against him before the county court clerk for the collection of such license and back license in the manner prescribed for assessing merchants for delinquent ad valorem taxes due.

(10) Said collectors shall inspect the inventories of deceased persons filed by administrators and executors and ascertain whether or not such estates are liable to assessment or back assessment, the proceedings in such cases to be according to the provisions of section 30 of

this act relating to assessment of real and personal property before the county trustee.

(11) The collectors shall, upon making an examination of the accounts of any collecting official or ex-officials, present to such official or ex-official a statement of the financial status of his office. If his accounts be correct, the collector shall so certify to said official and so report to the state comptroller. Should a delinquency appear in favor of either the state or county, or both, a statement showing all items of delinquency shall be presented to said official or ex-official for payment by him, together with interest and an added penalty of fifteen per centum. Should payment be declined, formal demand shall then be made upon such delinquent and his bondsmen for payment of such claim in full. Should payment then be refused, it shall become the duty of the collector promptly to report the fact to the comptroller, whose duty it shall be, in that event, to direct the district attorney to collect said delinquent moneys by suit or otherwise, the suit to be entered either in the circuit or chancery court in the name of the state on relation of the collector. Upon recovery being made, such revenue so collected shall be paid over to the collector, including all interest and penalties, whose duty it shall be to report the same as if paid direct to him by said delinquent, the fifteen per centum penalty in either case to be paid into the state treasury as a part of a general fund provided for defraying the expenses in connection with such investigations and collections.

(12) Whenever they have cause to think that any property or privilege has been omitted from taxation or has been under-assessed in the manner referred to in section 30, said collectors shall make motions before the proper officials for the assessment thereof or the correction or readjustment of the assessment thereof.

(13) It shall be the duty of said collectors to make such recommendations to the comptroller as conditions may require regarding the direction to the district attorney to assist in making either the assessment, correction, or readjustment of any tax assessment or the collection of any public revenue; and it shall be the duty of the state comptroller to direct said district attorney, if in his opinion his services are necessary, to institute suit.

(14) All merchants' and privilege taxes collected by proceedings begun by the said collectors shall be paid by the taxpayer direct to the county court clerk, including all interest and a penalty of fifteen per centum, whose duty it shall be to report the same to the state and county as he does his regular collections, except the penalty of fifteen per centum, which he shall pay over to the collector, who shall report the same to the comptroller, as provided.

(15) The comptroller is authorized to direct a district attorney to bring proceedings for the collection of any merchants' or privilege taxes, where he deems it advisable and necessary, such proceedings to be in the name of the state on relation of the collector. Suits may be brought directly against any privilege taxpayer by motion in the circuit court or bill in the chancery court by direction of the comptroller, whether the privilege be payable to the county court clerk or direct to the comptroller.

(16) The three collectors herein provided for shall each receive a salary of twenty-five hundred dollars per annum, payable monthly upon warrant of the comptroller drawn upon the general fund appropriated for the payment of the salaries and expenses of his office.

(17) The said collectors shall in no manner be entitled to retain the fifteen per centum penalties collected by them, or any portion thereof; but it shall be their duty to report such penalties to the comptroller,

remitting the same monthly to the state treasurer, whose duty it shall be to set the same aside to a special penalty account, to be used and paid out upon the official warrant of the comptroller to defray the expenses of expert accountants employed in making investigations under the direction of the comptroller and the said collectors, expenses incident to the duties of said three collectors, costs, and all other actual necessary expenses properly incurred.

(18) All expense accounts rendered by the collectors or those engaged by or through them, by and with the consent and approval of the comptroller, shall be fully itemized and sworn to before being filed with the comptroller for payment as provided.

(19) Nothing contained herein shall be taken to confer on collectors of revenue the power of back assessment for municipal taxes.

SECTION 76. *Be it further enacted*, That it shall be the duty of the comptroller to prescribe a uniform system of bookkeeping, designating the character of books, reports, receipts, and records, and the method of keeping same, in all state and county offices in the state handling state and county revenue; and it shall be the duty of all state and county officials to adopt and use said system and the kind and character of books, reports, and records as designated by the comptroller; but nothing in this section is intended to give the comptroller the right to require the adoption or purchase, by said officials or by said counties, of the books or other records of any particular publisher or publishers.

SECTION 77. *Be it further enacted*, That all laws or parts of laws upon the subject of the assessment and collection of taxes and the sale of land for taxes in conflict with the provisions of this act are hereby repealed. This repeal shall operate as to all taxes assessed under this act, but shall not operate so as to interfere with the taxes assessed prior to the passage of this act, except as hereinbefore specially otherwise provided.

SECTION 78. *Be it further enacted*, That—

(1) It shall be the duty of each judge of the courts of the state having criminal jurisdiction to specially give in charge to and have the grand jury of his court specially investigate all offenses defined in this act, and inquisitorial power is given to grand juries in the premises.

(2) It shall also be the duty of the respective district attorneys of this state, upon information or at the request of any reputable citizen of the state, to investigate and prosecute ex officio all the offenses defined in this act.

SECTION 79. *Be it further enacted*, That each section, subdivision, and paragraph of this act is hereby declared to be a separate and independent clause from any other section, subdivision, or paragraph hereof; and the illegality or invalidity of any section or of any subdivision or of any paragraph hereof shall not affect any other section or paragraph hereof, as such other sections and paragraphs would have been enacted if any such illegal or invalid section or paragraph, if any, had been omitted or stricken out.

SECTION 80. *Be it further enacted*, That all laws and parts of laws in conflict with this act be, and the same are hereby, repealed.

SECTION 81. *Be it further enacted*, That this act take effect from and after its passage, the public welfare requiring it.

TO QUIET LAND TITLES.

AN ACT to quiet titles and ownership in lands, and provide for the proper taxation of claims thereon.

SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee*, That—

(1) For the purpose of taxation, all claims to land in this state or to any interest therein shall be considered, treated, and held to be legal and valid.

(2) It shall be the duty of each and every owner or claimant of land or of any interest therein to pay all taxes which may hereafter be assessed against such land or claim thereto or against him as the owner or claimant of such land or of any interest therein, or which has been or should have been assessed for the years 1911, 1912, 1913, and 1914 against such land or claim thereto or against such owner or claimant or those under whom he holds or claims.

(3) It shall be the duty of every owner or claimant of land in this state or of any interest therein, on or before the first day of June in each and every year, to file with the tax assessor for the county in which the land lies a statement so describing the land claimed that it can be identified therefrom, showing the area thereof, what interest in such land is claimed by the party filing such statement, and the source from which he claims title, in which shall be stated the name of the claimant's grantor, the date and place of registration of the deed, if held by deed; or if not so held, on what basis claimant's title rests, showing the person and instrument or facts through which the claimant holds; or if held or claimed by possession, on what basis such adverse possession is claimed; or if claimed as heir, from whom such claim is derived, and on what facts such claim is based; and it shall be the duty of every such owner or claimant to pay all taxes which may be assessed against such land, interest therein, or claim thereto.

(4) The fact that said land has been listed for taxation, or the taxes have been paid thereon by another claimant, shall not relieve against the duties herein imposed; and any such payment shall in no sense inure to the use or benefit of any claimant not holding under privity of title with the claimant by whom such taxes may have been paid.

(5) If said land, or any interest claimed therein, has not been assessed for taxation for the years 1911, 1912, 1913, or 1914, the owner or claimant thereof shall, on or before December 1, 1915, file with the county trustee such statement as has been above prescribed, and which shall be as definite and particular as above prescribed; and the trustee shall assess the same as picked-up taxes for the omitted year or years at its fair cash value, and the owner or claimant shall, within thirty days thereafter, pay all such taxes as may be thus assessed, together with interest thereon at the rate of six per centum per annum from the first day of March of the year following the year for which such assessment should have been made.

(6) If any such owner or claimant shall fail to list the land to which he sets up a claim for assessment or taxation for the years mentioned, on or before December 1, 1915, or shall fail to pay the taxes charged or which should have been charged against such land or interest therein or against him as the owner or claimant thereof upon said dates for such years, or shall fail to list such land, interest therein or

claims thereto, for any subsequent year, on or before June 1 of such year as herein provided, or to pay the taxes thereon when the same shall become due, such owner or claimant is hereby declared to be delinquent; and the failure on his part either to list the property to which he sets up a claim in any manner or form with the proper tax official or to pay the taxes assessed against such land or interest therein or against him as the owner or claimant thereof, shall be cause for forfeiture of his interest in such land and operate as a transfer to the State of Tennessee of all his title, interest, or claim thereto in a proceeding to be instituted for that purpose as herein provided. If a cause for forfeiture as herein provided accrues, the same shall be extinguished if the owner or claimant or any other party or parties deraigning title from such owner or claimant shall, within the time and in the manner provided in this act, pay the taxes charged and which should have been charged against such land or interest therein or against such owner or claimant thereof for each and all of said years for which he or those under whom he claims are delinquent, together with the interest and penalties provided by law for the nonpayment of taxes.

(7) If any owner or claimant of any land in Tennessee fails to list the same with the trustee as above provided, or if such land shall be listed for any year or years and the taxes assessed thereon for all or any of such years shall not be paid within the time provided by law, it shall be the duty of the trustees of the various counties of the state within thirty days thereafter to give notice to the comptroller of the nonlisting of such property or the nonpayment of the taxes assessed thereon for said years; and if any such owner or claimant shall fail so to list his said claims with the county assessor as herein provided, then it shall be the duty of the assessor within thirty days thereafter to give such notice to the comptroller.

(8) Upon the receipt of any such notice from the assessor or the trustee, or other satisfactory information to the effect that any land or any claim thereto has not been listed for taxation as herein provided, or that, if listed, the tax thereon has not been paid within the time provided by this act for the payment of current taxes prior to delinquency, then and in every such case it shall be the duty of the comptroller to institute proceedings in the name of the State of Tennessee, by himself as relator, by bill or petition, either in the circuit or in the chancery court of the county in which any portion of such land lies, for the purpose of having forfeiture of such land or of such claim thereto judiciously declared.

Such petitions shall state the name of the owner or claimant of the land or interest therein, if such name be known, against whom judgment or forfeiture is prayed, a description of the land or claim thereto, and the years for which the same has not been listed for taxation, or, if listed, the years for which the taxes have not been paid, and the amount of taxes due to the state and county, if the same has been assessed; but no error in any such allegations shall affect the validity of the proceedings. If the name of the owner or claimant of any land or of any interest therein or of the claim thereto be known, such name shall be stated in the petition; but if said name or names be unknown, then it shall be so stated in the petition; and in such cases publication shall be made for the unknown owners or claimants of said land in the manner and form now provided by law for publications for nonresidents in suits to which they are necessary parties, and the case shall proceed as other causes in the court in which it is pending.

If, upon the hearing of any such cause, it shall be ascertained that the land or the interest therein or claim thereto, on account of which

such proceedings arose, have been properly listed for taxation and all taxes paid thereon as required by this act and other laws of this state, the proceedings shall be dismissed as to such land, interest therein, or claim thereto; but if otherwise, then the court shall order, adjudge, or decree the year or years and the amount of state taxes and the amount of county taxes for which such forfeiture is had, and that all right, title, interest, and claim of the parties to the said cause be, and the same shall thereby immediately be and become, divested out of said parties and vested in the State of Tennessee, with the right, however, in the previous owner or claimant, or any person deraigning title or claim through such owner or claimant, to repurchase the said land or claim so divested at any time within ninety days from any such final decree upon payment to the clerk of the court for the benefit of the parties entitled thereto of all state and county taxes for which such land, interest therein or claim thereto, has been forfeited, together with interest and penalties thereon, as they are in this act imposed upon delinquent taxes from the date when such taxes should have been paid, and together with all court costs and an added penalty of fifteen per centum on the total collection, which added penalty shall be reported to the comptroller and remitted to the treasurer of the state for the credit of the special penalty account.

(9) Any party aggrieved by the final decree of any circuit or chancery court in any proceeding herein authorized shall have the right of appeal as in other causes.

(10) All judicial proceedings instituted under the authority of this act shall be at issue, and shall be tried at the first term of court next following the service of process, either actual or constructive, any rule of court or practice applicable to other cases to the contrary notwithstanding; and all cases instituted under this act shall have priority as state revenue cases over all other cases, and shall be tried as soon as they are at issue.

(11) No cost bond, appeal bond, or other bond shall be required of the state or of the comptroller when acting on behalf of the state or on behalf of the state and any county thereof in any proceedings brought, prosecuted, or defended under any provision of this act.

(12) Either the original or a certified copy of the record of any proceedings under which any forfeiture or sale authorized by this act may be had shall be competent evidence in any other or subsequent suit or action involving the same land or interest therein, regardless of who may be the parties to such other or subsequent suit, and shall be conclusive evidence of all facts that may be adjudicated therein.

(13) Any delinquent may at any time prior to suit pay the taxes assessed, or which should have been assessed, against the land which he claims or his interest therein, together with the interest and penalties provided by law, and thus cancel and extinguish the cause of forfeiture. After the institution of suit as herein provided, any delinquent may still cancel and extinguish the cause of forfeiture by paying such taxes, interest, costs, and penalties, plus the court costs and a reasonable attorney's fee, in which latter case the value of the land or interest therein or claim thereto shall be considered and assessed at the value stated in the bill or petition.

(14) If there be any adverse claimant to all or any portion of the land or interest or claim thereto which has been forfeited to the state under the provisions of this section, and if such adverse claimant, or those through whom he deraigns title, has paid taxes for the five successive years last on the lands so adversely claimed by him, such adverse claimant shall have the right at any time after ninety days (unless the previous owner of such forfeited land or claim has within said

period of ninety days repurchased the same from the state), and within one year from the judgment or decree of forfeiture, to purchase all the right, title, interest, and claim so acquired by the state, in so far as it conflicts with the land upon which he has so paid the taxes, upon payment to the clerk of the court in which such proceedings were had of the court costs and all expenses of the proceedings by which such forfeiture was procured, excluding the taxes, interest and penalties thereon, but including the added penalty of fifteen per centum, which shall be credited as provided in subdivision 8 hereof.

(15) The Tennessee Tax Commission is authorized to prescribe and to furnish the forms of all reports to be made by the county tax assessors, county trustees, clerks of court, and other persons, in pursuance of this section; and the information to be called for by said commission shall in no wise be limited to the matters specified herein, but may be as broad, comprehensive, and in such detail as said commission may see fit.

The commission is also hereby authorized to prescribe the forms of deed or other instrument to be executed by the clerk of court upon the repurchase of any lands, interest therein or claim thereto, by the party whose claim may have been forfeited.

The commission shall also direct what investigation, if any, shall be made by such clerks before permitting any property or claim thereto so forfeited to be purchased by any adverse claimant, as provided in subdivision 14 of this section, and the form of any deed or other instrument which shall be executed by the clerk of court to evidence any such purchase.

(16) In any action affecting the title to real estate it shall be competent for any party thereto to plead that any interest, title, or claim therein sought to be set up (whether by the plaintiff or by the defendant) has not been listed for taxation by the party proposing to set up such interest, title, or claim, or by his privies in interest, for any two years out of a period of seven years next preceding the institution of such action; and it shall also be competent to plead that such party, or his privies in interest, have failed to pay taxes on any such interest, title, or claim for any two years out of a period of seven years next preceding the institution of such action; and either of such pleas, if sustained, shall be a complete plea in bar and in defense to the assertion of such interest, title, or claim.

SECTION 2. *Be it further enacted*, That all laws and parts of laws in conflict with this act be, and the same are hereby, repealed, and that this act shall take effect from and after its passage, the public welfare requiring it.

TO PROVIDE FOR THE ASSESSMENT OF SLEEPING CAR PROPERTY.

AN ACT to amend chapter 48 of the printed acts of the General Assembly of the State of Tennessee for the year 1901, being entitled "An Act providing for the assessment of taxes on railway cars used within this State, but owned by persons, firms, corporations, or companies having their residence outside of the State," so as to extend the provisions of said act to passenger cars.

SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee*, That section 1 of chapter 48 of the printed acts of the General Assembly of the State of Tennessee for the year 1901, being entitled "An Act providing for the assessment of taxes on railway cars used within this State, but owned by persons, firms, corporations, or companies having their residence outside of the State," be amended by striking out the words " to passenger cars, nor "—so that said section 1 shall read:

" SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee*, That all railway cars used in this state, but belonging to a person, firm, corporation, or company having a residence or situs outside of this state, are and shall be subject to taxation under the provisions of chapter 5 of the acts of 1897 and the further provisions of this act; *provided*, this act shall not apply to cars owned by persons, firms, companies, or corporations operating lines of railways."

SECTION 2. *Be it further enacted*, That this act take effect from and after its passage, the public welfare requiring it.